# Annual report and accounts

For Stichting VSO International
2024/25

Lasting change
through volunteering

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**Thank you** 72

# Foreword from our Chair

This year, the world has continued to face intersecting crises - from entrenched inequality and conflict to escalating climate shocks and fragile health systems. These compounding challenges are stretching communities and institutions alike.

At the same time, democracy itself is under threat. Around the world, we are witnessing rising authoritarianism, shrinking civic space, and increased attacks on the rights of women, minorities, and activists. The ability of citizens to organise, to speak out, and to shape decisions that affect their lives is being curtailed - sometimes violently, often systematically.

And yet, amid all this, something deeply human continues to shine through: the power of people. The courage and determination of individuals who are not only surviving adversity - but who are actively shaping change within their communities.

This is why I'm delighted that this year's Annual Report centres on voice and agency. The stories featured here are not case studies in the traditional sense. They are lived experiences - of volunteers, of community leaders, of young people stepping into their power. Their voices remind us that genuine development is not about delivering solutions to people but about standing with them.

In 2024/25, we continued to prioritise those who are often excluded or left behind. Through programmes that support resilience, improve inclusion, and hold institutions accountable, we are co-creating better futures - especially for women, girls, and marginalised communities. Across all our programming, we remain committed to citizen-led change, strengthening local leadership and amplifying community-driven solutions. Our impact in numbers this year reflects this commitment: VSO worked with communities in 19 countries, reaching 36.4 million people (nearly 5.4 million directly and over 31 million indirectly). Notably, 82% of those reached were youth aged between 15 and 24, 6% were people living with disabilities, and 52% were women.

This year, we took an important step in how we lead, appointing two exceptional women - Donné Cameron and Kathryn Gordon - as Co-Chief Executive Officers. Both bring deep knowledge of VSO and have long been part of our global community. This move reflects more than a change in leadership structure. It speaks to our belief in shared responsibility, inclusive decision-making, and leadership rooted in trust, collaboration, and experience. It's a natural evolution for an organisation built on partnership.

It was a privilege, this year, to represent VSO at the Regional Health Promotion Conference 2025 in Nairobi. VSO's work in strengthening people-powered health systems was warmly received and highlighted the critical role of volunteers, frontline workers, and citizen advocates in delivering health equity. Our health projects alone reached nearly 200,000 people this year.

VSO's voice has also been heard on global platforms this year - from the UN Commission on the Status of Women to the Africa Climate Summit. Time and again, our volunteers and primary actors have spoken truth to power, shared community solutions, and shown that the answers to many global challenges already exist - if we choose to listen. For instance, in Nepal, our ACTIVE project, funded by the UK government, supported 570,000 people to improve their access to quality, inclusive health services, particularly for women and girls, over the past 3 years.

We continue to invest in broadening our partnerships and income streams, and we are deeply grateful to supporters in the UK, Ireland and the Netherlands for standing with us.

As Chair of the International Board - and as someone who first volunteered with VSO nearly two decades ago and continues to do so today - I know that lasting change doesn't come from a single moment. It comes from sustained effort, from people showing up for one another, again and again.

In a world where justice, inclusion, and even truth are increasingly under threat, our work is not just about building a fairer world - it is about defending the very idea that such a world is possible. That is what VSO stands for. That is what our volunteers, our partners, and our primary actors do every day - with courage, with conviction, and with care.

**Julia Lalla-Maharajh OBE**
Chair VSO

# Our impact in numbers

**30,232** people volunteered with VSO

VSO worked with communities in 19 countries.

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# 36.4 million

**people were reached, more than 31 million indirectly and over 5.4 million directly including:**

Nearly **4.7m** through our education projects

**56%** of all volunteers were youth

Nearly **0.2m** through our health projects

**6%** of the people we worked with were people living with disability

Over **0.5m** through our livelihoods projects

**52%** of the people we worked with were women

Numbers represent impact achieved in the first three years of VSO's current strategic plan.

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Joshua* struggled with social anxiety and learning. Let's Learn Through Play Rwanda seeks to transform learning at all levels of the early childhood education system. He loves drawing and painting.

**Pseudonym used to protect identity*

Our vision

# A fair world for everyone

Our purpose

## Creating lasting change through volunteering

Our values

# Collaboration

- Empower poor and marginalised people to take charge of their own development
- Share skills and knowledge to create long-lasting, sustainable change
- Build collaborative partnerships that promote innovation, growth and impact

# Knowledge

- Lead volunteering for development, setting the standard for ourselves and others
- Use evidence and insight to guide our actions
- Recruit the right people and work where we have the greatest impact

# Inclusion

- Stand beside and advocate for those who have been denied choice and opportunity
- Promote diversity and equality throughout our work
- Encourage different, inquisitive perspectives

# Integrity

- Commit to safeguarding and take a zero-tolerance approach to abuse and harm
- Treat others with respect, as equals
- Be open, transparent and accountable in everything we do

# Changing the landscape for female health rights in Nepal

## Aarati Patel, Female Community Health Volunteer and Advocate for Women's Rights

"Growing up in the heart of Madesh Province in Nepal, I witnessed the harsh realities that many women and girls in my community face daily. From early childhood, I saw how traditional practices like child marriage, the dowry system, and restrictions on girls' freedom impacted the futures of countless young girls. Education was often out of reach for them, and the dreams of many were stifled before they could even take root. It was heartbreaking to watch so many girls being forced into early marriages, deprived of their rights, and facing domestic violence with no safe outlet to speak out. This deeply ingrained gender inequality left many women without the tools to take control of their lives, limiting their opportunities and futures."

Health, and sexual and reproductive health in particular, is more than just physical well-being; it's about dignity, autonomy, and the right to shape one's future. For too many adolescent girls in Nepal, deeply entrenched social norms around gender continue to place heavy limitations on these rights, leaving them vulnerable to health risks, social isolation, and the burden of lifelong inequality.

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From left to right: Aarati and Sarita, both female community health volunteers, with community volunteer Rekha, explaining contraceptive injections to local women.

Far right, Aarati, a female community health volunteer, counselling a new mother on her reproductive health, post-delivery health, and child care.

The Active Citizenship through Inclusive Volunteering and Empowerment (ACTIVE) project, funded by the UK government, gives marginalised girls and women in Nepal a second chance by improving the services provided by local health facilities and supporting the community to get involved in ensuring the health system meets their needs.

Volunteers like Aarati act as a vital connector between communities, health facilities and schools. They facilitate community discussions to build awareness on basic health rights. They work closely with female community health volunteers through on-site coaching and training to enhance the quality of health services.

Volunteers also strengthen the relationship between the health system and the community. They work alongside communities to implement the Inclusive Community Scorecard, a monitoring tool used by the community which enables health facilities to allocate budgets more effectively, set up youth-friendly information corners, and monitor and improve service quality.

"One of the most critical aspects of my work is addressing gender-based violence. In many communities, women and girls are subjected to violence, yet they are often too afraid to speak out due to fear of social stigma, legal barriers, or threats from perpetrators. I work to create safe spaces where survivors of gender-based violence can come forward, share their stories without judgment, and access the support they need. These spaces are vital in breaking the cycle of silence and ensuring that survivors can rebuild their lives with dignity and support."

Volunteers advocate for policy reforms that will ensure that girls and women are given equal access to education, healthcare and leadership roles. They mentor Youth Health Champions and create safe spaces for women and girls to discuss critical issues around sexual and reproductive health, gender-based violence, and youth leadership.

**Through the work of over 500 volunteers under ACTIVE, VSO has supported 570,000 people in Nepal to improve their access to quality, inclusive health and other services.**

"One of the most profound experiences of my work has been seeing the power of young women who, despite the odds, stand up to advocate for themselves and their peers. Through mentorship sessions, workshops, and community engagement, I've seen firsthand how educating young girls about their rights, and providing them with leadership training, can be transformative. I help them develop confidence, equip them with the skills to advocate for themselves, and create networks that allow them to support one another. These girls are not just learning to speak up—they are actively taking on leadership roles in their communities and advocating for changes that benefit everyone."

Aarati has also served as one of VSO's Digital Ambassadors, which gives her the opportunity to amplify the voices of the youth through digital platforms. These online discussions and campaigns are a powerful tool to bring these critical issues to a wider audience and spark meaningful conversations about societal change.

"I am proud to be working in the very community where I was born and raised, contributing to positive change in a place that shaped me. My vision is a world where every girl feels safe, empowered, and able to pursue her dreams without fear of discrimination or violence. A world where child marriage and gender-based violence are no longer a reality, and where girls have equal access to education, healthcare, and leadership opportunities. This vision drives me every day as I continue to work toward creating a society where gender equality is not just an ideal but a reality. Together, we can build a future where every girl is free to dream, lead, and thrive."

# Educating for a future without conflict in Pakistan

## Salma Rehmet: Community Volunteer and Trusted Bridge-builder

"My name is Salma Rehmet and I am from Afghanistan. I started volunteering with VSO in 2022 because of the struggles that women and children in the Afghan refugee population in Pakistan face in accessing learning. I wanted to bridge the gap between the Afghan refugee community, the wider Pakistani community and education institutions in Pakistan to get refugee children learning."

In Pakistan, nearly 23 million children are out of school, the second highest number of any country globally. Among them are thousands of Afghan children, who have fled conflict in their home country. Pakistan hosts the third largest refugee population in the world, including more than 1.4 million refugees from Afghanistan.

Afghan children face significant barriers to attending school in Pakistan. Families struggle with language barriers and navigating the enrolment process. Poverty means that many Afghan children work on the streets, collecting rubbish, selling plastic or polishing shoes to help their struggling families. Climate disasters, including the catastrophic floods in 2022, damage and destroy schools, and disrupt children's education. Some never go back to class.

Salma delivering a maths class to her students in the VSO learning centre.

©VSO/Akifullah Khan

"The Afghan refugee community has been adversely affected by flooding. They cannot afford to build concrete buildings for their homes, so live in mud houses instead. Schools are also mud houses, build in muddy areas. When the recent floods hit, all those living in mud houses were badly affected. Due to the unpredictable extreme weather and because of poverty and the lack of resources, they are not able to meet the basic needs of the children, who have suffered a lot.

"Girls are not allowed to go to school because of safeguarding and security issues. If you want to study you should be allowed. Some girls are forced into marriage because of cultural constraints. Some families are not even asking their girls for their consent. If the marriage is arranged, the girls have no choice. Girls futures are decided for them.

"When the girls get married, they will be living in someone else's house, they will be another family's responsibility so the girls are not given their due share of property and wealth. They are not treated the same as the boys.

"Education is the only way out. If we don't educate the girls about their rights, they can't claim them. We are want quality education for all, not only for boys."

The Multi-Year Resilience Programme (MYRP), funded by Education Cannot Wait, aims to sustainably improve access to inclusive and equitable quality education for refugee and vulnerable children across the north and west of Pakistan, on the border with Afghanistan.

Through this project, VSO has supported communities to establish Early Childhood Education and Catch up Learning Programme centres, providing accelerated learning opportunities for out-of-school children These have been set up in unused community spaces, hired rooms, courtyards, or volunteers' homes.

"Government schools can be a long way from people's homes and private schools are not affordable, explains Salma. "I teach in my basement so it is a short walk for the children. When we started these catch up classes in the community, and the children started learning, they felt so happy about it."

Community volunteers like Salma are trained by VSO as volunteer teachers or "education champions". They work within the community to identify children who are not in school and engage with parents to convince them of the value of education, especially for girls.

"We started community-based classes for Afghan children who were unable to access mainstream education and mobilised women to enrol their children in local community centres and catch up classes. We helped to link girls who had dropped out of school with the open university so they could continue their education.

"I have learnt so much from working with members of the community, and I am proud to have forged a link between the Pakistani and Afghan refugee communities. It's all possible because of VSO. I am pleased to be able to give something back, and to become a voice for the marginalised.

"My hope for the future is to open a big learning centre, not only for the Afghan refugees, but for the wider host community where many children can attend."

**Through the efforts of over 100 trained community volunteers, VSO has facilitated learning support to over 37,440 marginalised children, including 64% girls, 6,125 Afghan refugees, and 2,000 children with disabilities.**

Salma won the Volunteer Impact Award in 2023 for Education.

Queen Manjokwiro is a female smallholder farmer practicing agroecology in Biriri Village, Chimanimani District in Zimbabwe, a country where almost 70% of the population relies on agriculture as a source of livelihood.

# Building resilience for life in Zimbabwe's farmlands

## Queen Manjokwiro: Sustainable Farmer and Community Leader

The livelihoods of Queen and millions of other farmers like her are increasingly being threatened by climate change, resulting in prolonged droughts, uneven rainfall patterns and economic instability. Chimanimani District has faced 4 tropical cyclones in as many years, and 2 droughts, leading to multiple harvest losses affecting food availability, income and general household wellbeing.

Climate is not the only threat. Smallholder farmers face difficulties in accessing markets for their produce, often resulting in unfair pricing and unstable economic return for sustainable farming practices. Networking and advocacy with key stakeholders including government agencies and the private sector is mostly ineffective, and the voice of women and marginalised groups is largely absent from decision-making processes.

Active Citizenship Through Inclusive Volunteering and Empowerment (ACTIVE) project, funded by the UK government, works with rural communities in Zimbabwe, Eswatini and Mozambique to improve livelihoods, well-being and the environment in the most vulnerable areas of the region using agroecological practices.

Agroecology provides an increasingly well-recognised pathway for climate change adaptation to enhance the resilience of smallholder farmers. Sustainable farming practices, often based on indigenous knowledge, prioritise the conservation of biodiversity, the planting of drought resistant and sustainable crops, efficient water

use, and soil health. Together, these offer a promising community-based solution to the challenges of climate change, poverty and food insecurity.

Working closely with the relevant government ministries, civil society organisations, and smallholder farmer groups, VSO is supporting farmers to galvanise a movement for sustainable farming practices that enable communities and the environment to thrive.

Expert VSO volunteers provide training and ongoing technical support to farmers like Queen. In Chimanimani, together with local partner Towards Sustainable Use of Resources Organisation (TSURO) Trust, VSO is creating spaces for smallholder farmer groups to share their knowledge, support one another and advocate for improved agroecology policy and practice. In 2024 VSO brought government, civil society and farmers together in Harare for Southern Africa's first ever Regional Agroecology Conference.

With the learning gained from these interventions, Queen has transformed her farming practice, enabling her to diversify her crops, improve her yield, enhance her market access and increase her income.

Inspired by what she observed in seed diversity and conservation on an exchange visit to the Shashe Agroecology School and its Centres of Excellence in Masvingo Province, Queen brought back to her community drought resistant seeds, critical knowledge, and practical skills. Establishing her own seed bank at her homestead enabled her to store and conserve indigenous seed varieties, strengthening local seed sovereignty and ensuring planting even in difficult conditions. She also learnt water harvesting techniques that are crucial in a region facing increasing rainfall unpredictability.

At the Regional Agroecology Conference in Harare, Queen displayed her seeds and established relationships with other farmers. "The regional conference uplifted me...and opened a huge market base for me". VSO's training built her relationship with government extension officers, who invited her to train farmers in two other Districts on producing bio-fertiliser. They also supported her greatest achievement to date: a contract with a national chain of supermarkets to supply the tomatoes she is producing in the greenhouse she built on her farm.

Queen has established a demonstration plot where she continues to adopt and showcase a range of agroecological practices, most recently introducing aquaculture which adds a sustainable fish protein source to her family's diet.

Her resilience has the potential to uplift the livelihoods of other members in her community as she increases her production. Already, she is able to provide employment to young people from her village on market days.

Queen has been inspired to contribute to the spread of the agroecology movement across her district, confident that acceptance of the practices is gaining traction, both within the community and with government extension workers. She has taken on a leadership role in her community by organising a group of other smallholder farmers to learn from each other. The group makes bio-fertiliser together, collectively maintains their water source, and helps each other with issues that come up in their farming, building a sense of collaboration, unity and support.

**The adoption of agroecological practices through the ACTIVE programme has translated into meaningful increases in household income and economic stability for 3,150 women and youth. Over 65% of smallholder farmers surveyed in the ACTIVE project reported an increase in income over the past year.**

Ultimately, what matters most to Queen is the confidence that she is investing in the next generation. Not only can she put healthier food on her family's table whilst preserving the natural resources in her community, but her improved income means that she can finally afford the fees for her children to go to school.

Queen proudly showcasing her produce.

Elizabeth with her two sons outside their home in Dandora, Nairobi

# Transforming waste and lives on Kenya's urban edges

## Elizabeth Otieno: Green Entrepeneur and Dedicated Mother

Elizabeth Otieno lives with her parents and her two sons in the densely populated neighbourhood of Kibera, Africa's largest urban slum located outside Nairobi, Kenya. Her home is a small house made of metal sheets without running water. Every morning, she goes straight to the rubbish dump along with other women and young people to pick through hazardous waste, searching for plastic bottles and packaging to sell.

Rubbish is delivered daily onto the huge dumps, creating an environment for the rapid spread of disease. The people living in surrounding settlements are among society's most disadvantaged, but also most enterprising. The waste pickers are providing a solution to the problem of waste and supporting recycling. But the money they earn is barely enough to feed their families.

"I take my two sons with me because I can't pay 50 shillings each for nursery while I work. They are three and four. One sits. The other is on my back. There is broken glass, sharp bits of wire and needles. Trucks drive in and out and there have been terrible accidents. I watch my children all the time. I know they will get sick if they put their hands in their mouths, but I am here because we will only eat when I've found waste to sell for recycling. I stay until I've picked enough to buy food and tokens for electricity. I receive a lot of negative criticism from the community, mostly from other women who feel like they have better jobs than I do. Every morning, they mock me. They say I don't know what I'm doing and I should be serious about life."

VSO's From Waste to Work project funded by the IKEA Foundation supports young people like Elizabeth by providing them with a livelihood through waste picking initiatives. Many of these young people have children and family members that depend on them. Through training, they learn how to sort and recycle rubbish properly. The project also has an entrepreneurial component to it. From Waste to Work works with green youth-led start-ups and youth business groups. Waste pickers can join these groups and even become leaders. Here, they're connected with waste management businesses, so they can sell their rubbish to them. They're also trained in financial literacy, life skills and entrepreneurship.

Waste-picking is hazardous work. The project provides protective clothing to the waster-pickers and supports them to access vaccinations to protect them from disease. VSO volunteers provide vital training to young people to improve their safety and their incomes.

**The From Waste to Work project has supported 4,249 young people to transform their livelihoods and provide for their families with a target to recycle 6,000 tonnes of waste.**

Elizabeth wearing personal protective equipment provided by VSO.

"Thanks to VSO and the training, I have seen an improvement in my income as I have learnt how to separate waste properly. Also, initially, we used to work with brokers, but they weren't consistent, and their price was really unfair; we were selling PET bottles at 15 shillings per kilo. But thanks to VSO and Rooney (a VSO Volunteer), who is the individual running the buyback centre and who operates as the aggregator, it is now possible for us to sell PET bottles at 28 shillings a kilo, which is a significant growth from the previous price. We are still expecting the price to grow since we are looking into more markets with VSO's support. Initially, I had to walk quite a distance just to sell the plastics that I have collected, but now I'm happy that any day and at any time. I can bring the plastics to the aggregator here and I'll be able to make some money so my kids will never sleep hungry because I have access to the market. Thanks to VSO, I've also learnt about how to save, something I didn't know about before. As a result of this project, I feel like I've been given some independence even as being a parent."

# Finding hope, purpose and power beyond displacement in Ethiopia

## Emnet Mamo: Conflict Survivor and Youth Champion

In 2020, conflict erupted in northern Ethiopia, triggering one of the worst humanitarian crises the country had seen in decades. Millions were displaced by the violence. Among them was Emnet Mamo, a bright, determined 20-year-old from East Wollega in the Oromia region.

In October 2022, the violence reached Emnet's village. Her family fled with nothing. Their home was burned to the ground. Their livestock, 35 cattle, and 25 sheep, were stolen. Her education came to a halt.

> "Life became very hard. We lost everything overnight. I had to stop school. We didn't know what the future would bring."

After several months of uncertainty in Addis Ababa, Emnet and her family found their way to Debre Birhan, along with other internally displaced people (IDPs) seeking refuge from the trauma they had endured. City officials and local communities were unprepared for this unprecedented influx of people, with local services overwhelmed by the level of need. Like many young people in the area, Emnet found herself in a fragile and unsafe environment where youth are often invisible in humanitarian response.

In this kind of context, sexual and reproductive health (SRH) services are often inaccessible to displaced youth and other vulnerable groups. In Debre Birhan, youth faced a perfect storm of challenges: high rates of sexual and gender-based violence, poor access to SRH services, and deep-rooted stigma.

The Make Way project, funded by the Dutch Ministry of Foreign Affairs, has offered Emnet and other young people like her, a way forward. Implemented over five years by VSO and partners in Ethiopia, Kenya, Uganda, Rwanda, and Zambia, this project supports civil society organisations to dismantle the barriers preventing young people from accessing SRH services. The project uniquely recognises that a range of factors including gender, age, disability, and displacement have a compounding effect on discrimination for people in vulnerable environments.

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VSO, in collaboration with MakeWay partner YWCA, organised bi-monthly youth-led experience sharing and health education sessions in internally displaced people camps.

In Debre Birhan, VSO delivers Make Way in partnership with FAWE (Forum for African Women Educationalists), Redeem the Generation, and the Young Women's Christian Association (YWCA). Together, they are building a youth-led movement for SRHR justice by equipping young people like Emnet to lead the charge.

Selected as one of eight Youth Community Facilitators, Emnet received training in leadership, advocacy, and SRHR education. She also learned to use the Intersectional Community Scorecard (ICSC), an innovative tool adapted by VSO to evaluate and improve health services through the lens of young people's lived experience.

Through this process, Emnet helped amplify the voices of marginalised youth in identifying service gaps, advocating for youth-friendly care, and co-creating action plans with local authorities and health workers.

> "My self-confidence grew, and my hope returned. I now lead SRHR education sessions in the IDP camp, teaching other young people how to protect themselves, understand their rights, and speak out against gender-based violence."

Thanks to the Make Way project, tangible improvements were made in service quality and accessibility, namely the Availability, Accessibility, Acceptability and Quality (AAAQ) of SRH services:

- Clinic hours were adjusted to suit young people's schedules
- Health workers received SRHR and inclusion training
- Communication channels between youth and providers were strengthened
- 3,670 women served (including 348 with disabilities)
- 1,470 men reached (including 241 with disabilities)

**Through Make Way, over 5,000 young people in Ethiopia, including almost 600 youth living with disabilities, have gained improved access to quality SRH services. Nearly 75% of these were young women and girls.**

©VSO

A safe space established by VSO and YWCA, in the Chania IDP Camp in Amhara State. The safe spaces were used to organise 16 days of activism against Sexual and Gender-Based violence and celebrate World AIDS Day in 2024.

This growing movement is challenging discriminatory systems and delivering practical solutions for young people who are too often left behind.

In 2025, Emnet reached a milestone few displaced youth could ever imagine: she was awarded a fully funded scholarship to study Chemical Laboratory Technology at Addis Ababa Tegbareid Polytechnic College. The scholarship, offered by the Mastercard Foundation through FAWE, was highly competitive, and Emnet credits her success to the leadership and skills she gained through Make Way.

> "I sincerely thank VSO, our partners in Debre Birhan, and the Make Way team. I am who I am today because of your support and guidance."

At VSO, we believe young people are not passive recipients of our support, but leaders of change. With the right support, they rise to build just communities and to create hope for the future.

# Discovering the joy of learning in Rwanda

## Umiwana Donatha: Pre-primary Teacher and Classroom Hero

There are almost 2 million children in Rwanda under the age of five. Nurturing the development of these children at this foundational stage of their lives is crucial for securing their future success, as well as the well-being of their families, communities and Rwanda's development as a nation. Effective Early Childhood Development (ECD) promotes all aspects of a child's development and has been shown to support children staying in school and achieving academically.

Teacher Donatha uses her new skills and knowledge to promote play-based learning in outdoor spaces.

Rwanda's government has recognised these benefits and it's striving to integrate early learning and development opportunities into its schooling system. The country aims to "equip all children with basic literacy and numeracy, and to instil in them a love for learning from an early age when their brains are changing and developing rapidly" (Rwanda's National Foundational Learning Strategy).

Despite this commitment, schools and teachers across Rwanda have struggled to bring play-based approaches into their classrooms. Children in pre-primary classes were learning with limited creativity, movement and innovation in classrooms that were often dull and unwelcoming. Teachers had inadequate knowledge and skills to to make their lessons interactive and inclusive in crowded classrooms. At the same time, school leaders did not always recognise the pre-primary level as foundational to the education of children or provide the support or resources their teachers needed.

Over the past four years, VSO has supported the enhancement of school readiness and pre-primary education for 3-6 year olds in Rwandan schools through a project funded by the LEGO Foundation called 'Let's Learn to through Play' or 'Twigire Mumikino Rwanda' (TMR) in the national language. Based on research that demonstrates its effectiveness, TMR has promoted play-based approaches as a child's natural way of learning important knowledge and skills, especially in the early years.

**VSO has now worked with over 2,000 pre-primary teachers in more than 600 government schools across all 30 districts of Rwanda to build teachers' capacity and confidence to support child development and deliver the national pre-primary curriculum using play-based approaches.**

Through the TMR project, VSO volunteers provided mentoring and coaching to teachers inside the classroom to help them adapt play-based methodologies. Teachers were provided with tablets to access digital content on learning through play through the groundbreaking VSO School App to improve their competencies and inspire action. Volunteers promoted peer support through 'Communities of Practice' where teachers could identify challenges and solutions together, and supported the teacher-mentors in the schools to coach their peers. Volunteers also worked with school leaders to promote the importance of play-based pre-primary education and to support their teachers with essential tools and resources.

"When I began teaching in pre-primary, I had little knowledge of how to support children's learning. I wasn't familiar with important concepts like learning areas or corner play.

"After going through the modules on the App, I developed strong skills in managing a large classroom and improved my understanding of children's behaviour, child development, school readiness and corner play activities. I also learned how to support children who have different learning difficulties.

"Even though I didn't study ECD in Teacher Training College, I now clearly understand how to organise learning corners, have knowledge on the Competence Based Curriculum, and include both cross-cutting and generic competencies in my lesson planning. I've become skilled in using play-based approach methods to make learning more effective and enjoyable for young children with the support of the content in the App."

The TMR project has contributed significantly to the growing movement in play-based pre-primary education across Rwanda. Teachers' knowledge and skills have improved and they are using play-based approaches with improved teacher-child interaction. Crucially, lesson planning has improved significantly, making teaching and learning more effective and classrooms much more 'playful'. Teachers are creatively making teacher learning materials from locally available, low-cost resources.

Most importantly, children's learning outcomes are improving as teachers' skills improve.

Teachers, school leaders and local authorities have begun to set out strategies for how they will sustain the impact from the project. Teachers will continue to creatively make and use teaching and learning materials and focus on lesson planning. School leaders and local authorities will continue to prioritise lesson observation and school-level planning as key strategies for supporting play-based learning.

Play is now firmly on the agenda in Rwanda. The new Foundational Learning Strategy aims to accelerate change for the country's youngest learners and prioritises play-based pre-primary education. Through TMR, VSO has supported the development of the first National Strategy on Learning through Play.

Teachers just like Donatha across the country are at the heart of the change. VSO is proud to have played our part.

Teacher Donatha using play-based approaches to make learning more effective and enjoyable.

# Looking forward

**In September 2024, we – Donné Cameron and Kathryn Gordon – were honoured to begin our journey as Co-Chief Executives of VSO. Our shared leadership reflects VSO's deep commitment to inclusive governance, feminist principles, and the shifting of power closer to the communities we serve. With Donné based in South Africa and Kathryn in the UK, our co-leadership model strengthens VSO's identity as a truly global organisation – one that listens deeply, leads collaboratively, and acts with integrity and transparency.**

Our commitment to volunteering is shaped by personal experience. For Donné, it was forged during South Africa's transition to democracy – working with communities to build trust, solidarity, and a shared vision for change. For Kathryn, it was shaped by witnessing the role of dialogue and collective action in Northern Ireland's peace process. These experiences instilled in both of us a lifelong belief in volunteering, not merely as service, but as a profound expression of solidarity and a driver of lasting, systemic change.

That belief is more vital than ever. Today, our world faces multiple, intersecting crises; from climate disruption, conflict and political instability all contributing to rising inequality. Instead of responding with collective resolve, we are witnessing a retreat from global cooperation, growing nationalism, and shrinking space for civil society and accountability. This is more than a political crisis; it is a moral one.

At VSO, we will continue to stand firm in our values and in the belief that transformational change must be rooted in compassion, justice, and collective action. We know that progress is possible when people come together in solidarity and communities are empowered to shape their own futures.

We have not been immune to the shifting realities of our sector. International development is navigating a volatile funding environment and a new future. Foreign assistance budgets are under pressure, priorities are shifting, and many communities are losing access to vital support. These challenges call for bold, future-focused leadership.

We will respond not by stepping back, but by stepping forward – building on VSO's 60+ year legacy to reimagine what volunteering can achieve in today's world. We will deepen relationships with long-standing partners and forge new alliances with those who recognise volunteering as a force to reconnect fractured communities, rebuild trust, and catalyse deep, systemic change from the ground up.

We will invest in locally led approaches that reduce dependency on traditional aid flows and build long-term resilience. And we will welcome a new generation of volunteers and supporters to join us in creating a world where everyone – regardless of background or circumstance – can access the services and opportunities they need to thrive.

Looking ahead, we are especially energised by the UN General Assembly's declaration of 2026 as the International Year of Volunteers for Sustainable Development (IVY 2026). This milestone presents an extraordinary opportunity to recognise the power of volunteers and elevate their role in delivering the Sustainable Development Goals. For VSO, IVY 2026 is not just a moment of celebration – it is a call to action: to champion people-led development, renew our commitment to solidarity, and mobilise collective efforts for a more just and equitable future.

As Co-Chief Executives, we are proud to lead VSO into this new chapter. We remain steadfast in our belief that sustainable change is only possible when those most affected are at the heart of the solution – and when leadership is shared, inclusive, and grounded in our values.

**Donné Cameron**
**Co-CEO**

**Kathryn Gordon**
**Co-CEO**

# Financial Review

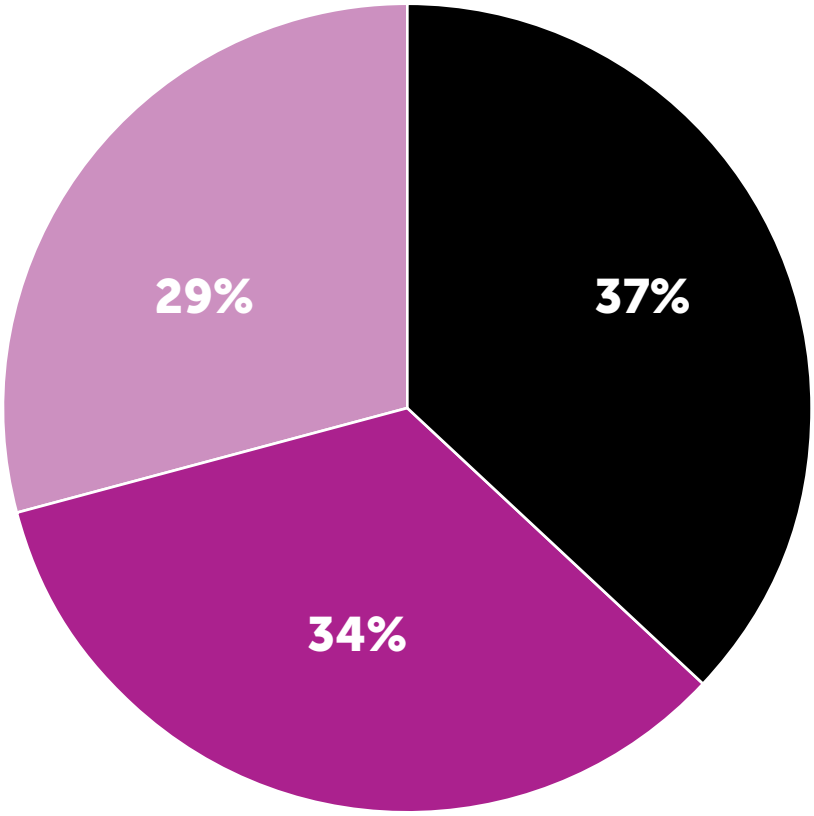
## How we raised and spent money in 2024/25.

### Income

VSO's income fell for the second year running in 2024/25. Several significant programmes came to an end during the financial year, including the two KFW grants in Malawi supporting primary education. The organisation also continued to face challenges in securing new grant funding due to government cuts in overseas aid, across Western Europe and the United States.

**Where our income came from 2024/25**

- Institutional Grants: 37%
- FCDO ACTIVE grant: 34%
- Other donations: 29%




TOTAL INCOME FOR THE YEAR **£26.7m**

## Institutional grants

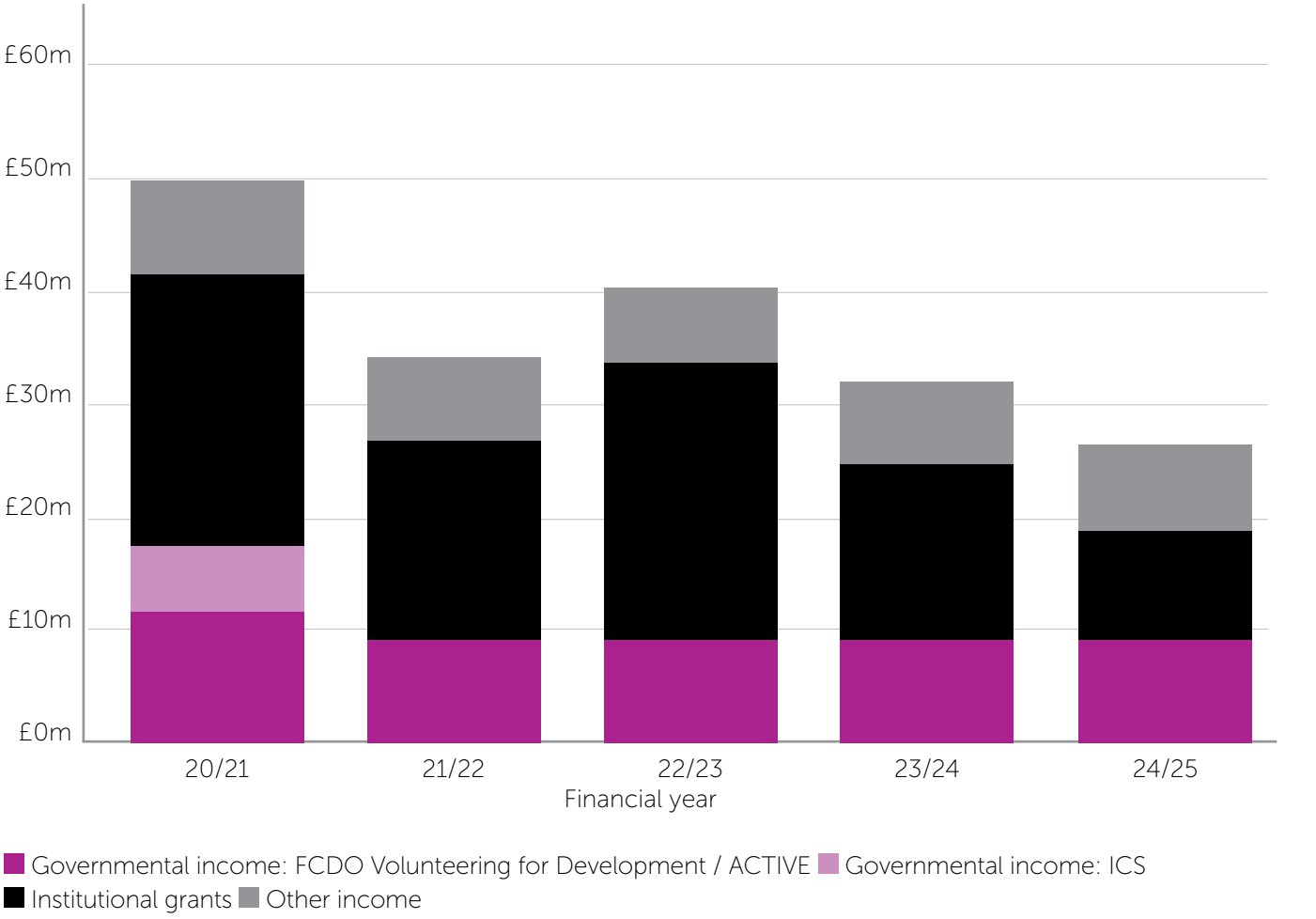
**Governmental income: (£13.5 million including ACTIVE)**
The landscape for government grants to support international development has changed significantly. For VSO, this area of income has reduced from the amount raised in 2023/24 (£18.5m). There have been significant challenges as US and European governments have shifted money away from overseas aid towards domestic priorities and defence spending. The reduction in income is also due to activities and reporting being delayed in countries facing political unrest- most notably Bangladesh and Mozambique as well as the ending of significant grants, including the two KfW grants focusing on Primary Education in Malawi and the UNFPA Gender Based Violence grant in Nepal.

Other significant government donors were the Dutch Ministry of Foreign Affairs (£1.5m) and Global Affairs Canada (£0.9m).

**Non-governmental bodies income: other (£5.2million)**
VSO has continued to have donations and support from a range of foundations and global funds; Imagine Worldwide, the Lego Foundation, Education Cannot Wait and the Ikea Foundation, who fund the Waste to Work project in Kenya.

Our work with a range of private sector partners to access funds. as well as technical skills through corporate employee volunteering, has continued, significantly with Randstad (a global leader in the HR Services industry). This year we celebrated our 20-year partnership with them. See vsointernational.org/our-work/partnerships/programme-delivery-partners/vso-and-randstad-sharing-skills-to-fight-poverty

## Income by type



## Charitable activities

**FCDO ACTIVE grant (£9.0 million)**
The Volunteering for Development programme funded through an accountable grant over the past six years ended on 30 April 2025. The grant enabled the most marginalised (especially women and girls, the young and people with disabilities) and civil society to lead their own development by exercising the power of collective voice, claiming their rights to better services, and holding people in power and service providers to account.

VSO is pleased to have been awarded an extension of the ACTIVE grant from 1 May 2025 to 30 April 2027 at £5m a year. Although this necessitates some scaling down of activities, it allows VSO to continue this vital project where it is most needed. VSO is committed to continuing to work with partners and volunteer networks around the world to ensure that the great work started in the first 3 years of the ACTIVE grant continues.

## Other donations

**Individuals and legacies (£7.4 million)**
VSO continues to have over 38,000 regular giving donors. Most of these supporters make consistent, monthly donations. In 2024/25 the VSO Board approved, 3-year, public fundraising investment came to an end on target, with higher legacy income and lower donation income than planned.

VSO's fundraising team continue to recruit new donors, ensuring long term sustainable income for VSO's work. As this income is unrestricted, it brings the organisation invaluable financial flexibility. This funding allows volunteers from all over the world to work alongside communities and deliver sustainable impact.

**Gifts in kind and pro bono services (£0.1 million)**
VSO is the grateful recipient of £0.1m worth of professional services during the year.

For more information see the financial statements, note 2b. Other donations.

©VSO/Lisa Marie David

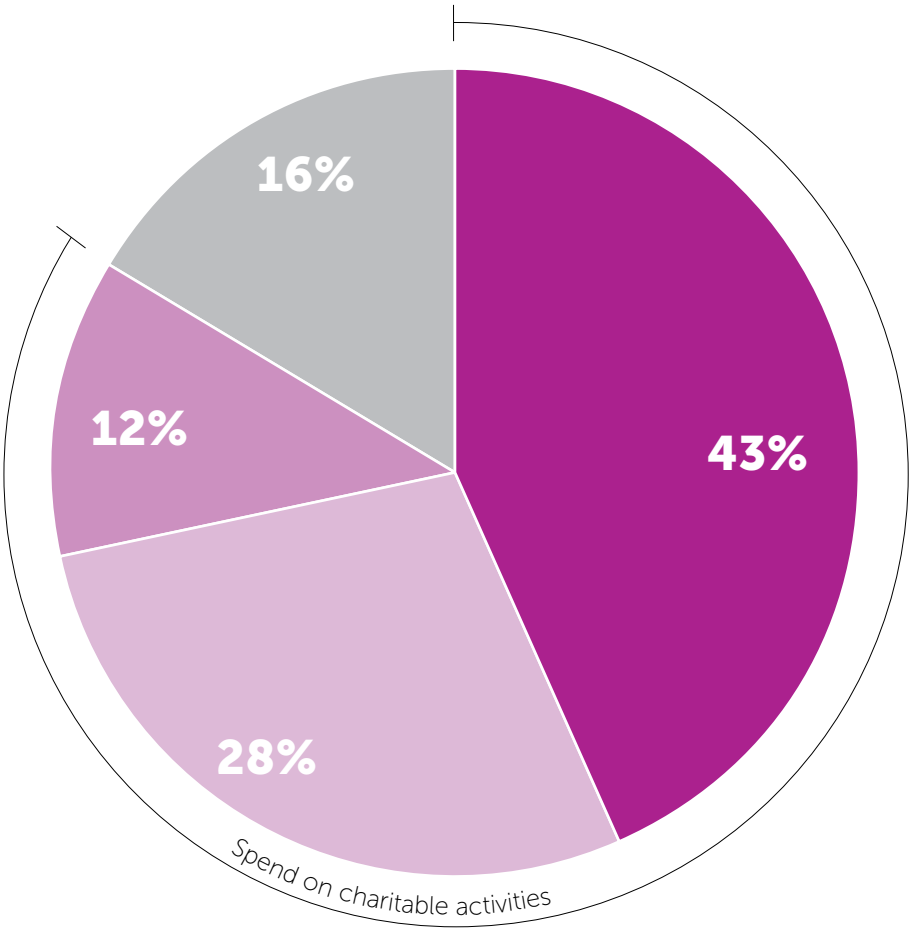
Salman* is an ex-MILF (Moro Islamic Liberation Front) commander turned VSO volunteer. VSO's work contributes to the normalisation track of the Bangsamoro peace process. It supports former MILF combatants and their families to access livelihood opportunities.

**Pseudonym used to protect identity*

# Expenditure

## How the money was spent 2024/25

- Inclusive Education: 43%
- Resilient Livelihoods: 28%
- Health: 12%
- Raising funds: 16%




TOTAL EXPENDITURE FOR THE YEAR **£31.4m**

## Raising funds

**Raising funds (£5.0 million):** Expenditure on raising funds has remained at the same level since 2022/23 with continued investment in public fundraising. The final year of the implementation of the individual fundraising strategy continued to focus on practical, high return channels and products. The strategy was adapted, as necessary, according to results.

As described above, a 3-year investment programme in Public Fundraising was agreed by the International Board with the aim to recruit 14,000 new donors over the 3-year investment period and stop the decline in unrestricted income. Overall, the 3-year investment strategy successfully recruited 16,000 new donors.

## Spend on charitable activities

Total spend on charitable activities in 2024/25 was £26m which is less than the £29.4m spent in 2023/24, reflecting the reduced level of income received.

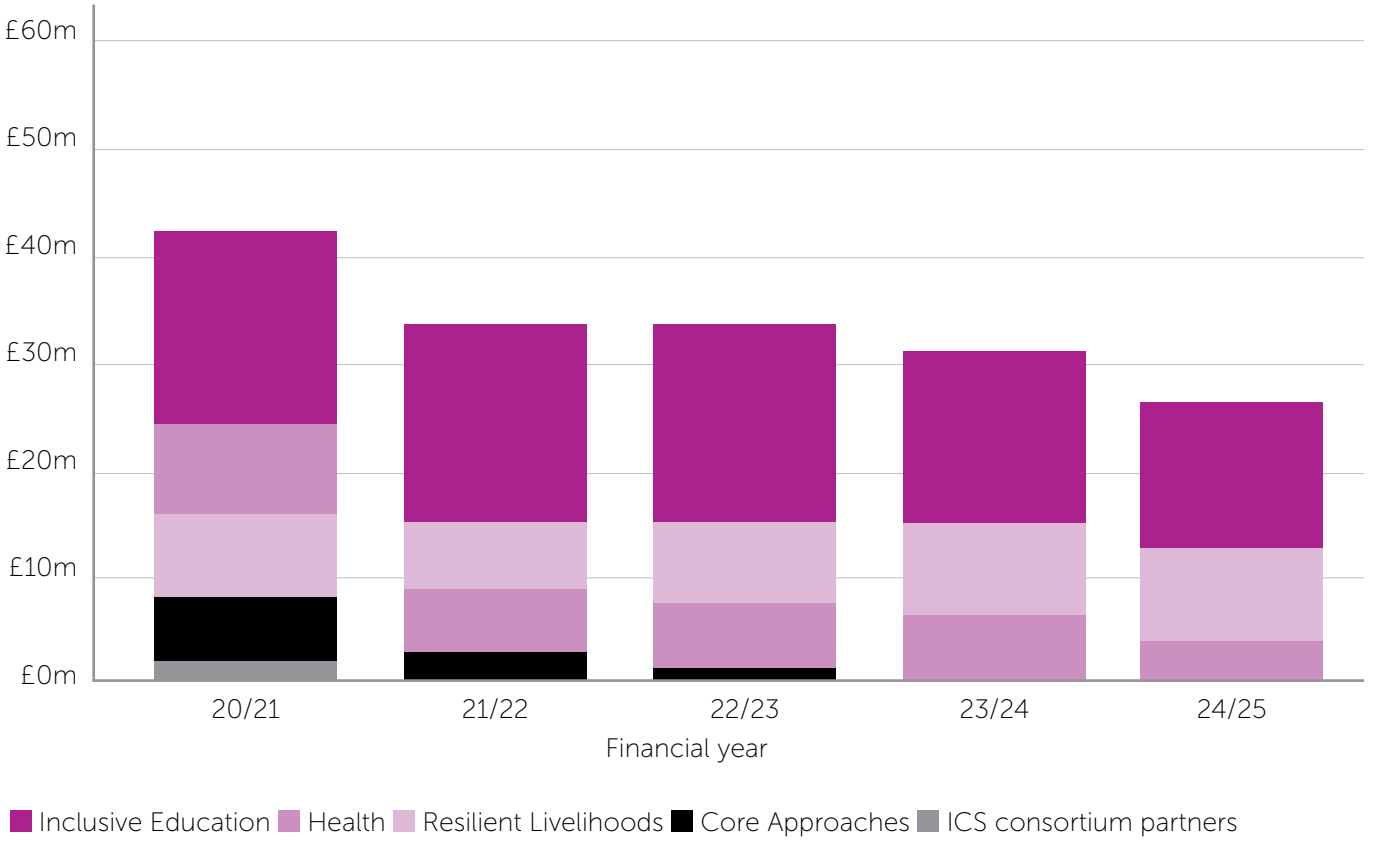
Expenditure on inclusive education has grown, representing 43% of VSO's portfolio of work (2023/24: 40%), with Resilient Livelihoods rising to 28% (2023/24: 26%).

**Expenditure on inclusive education (£13.5 million)** has fallen slightly as we delivered on grants won in previous years including the Learning Through Play grant (Lego Foundation) in Rwanda, Empowering Adolescent Girls to Learn and Earn project in Mozambique (Global Affairs Canada), and Unlocking Talent (KfW) in Malawi.

**Expenditure on health (£3.8 million)** has fallen by £2.7m during the year, as less funding from ACTIVE was spend on health projects than in previous years. The Dutch government funded, multi-country Make Way grant, aimed at strengthening civil society organisations in their role of lobbying and advocating for sexual and reproductive health rights continues to transform lives.

**Expenditure on resilient livelihoods (£8.7 million)** has fallen by £0.4m in the year as the Dutch Challenge Fund grant recruited less volunteers than planned. VSO continued to implement projects like the IKEA Foundation funded Waste to Work and Austrian Development Agency funded Integrated Peacebuilding, Development and Humanitarian Effort project.

## Spend on charitable activities



## Grant-making

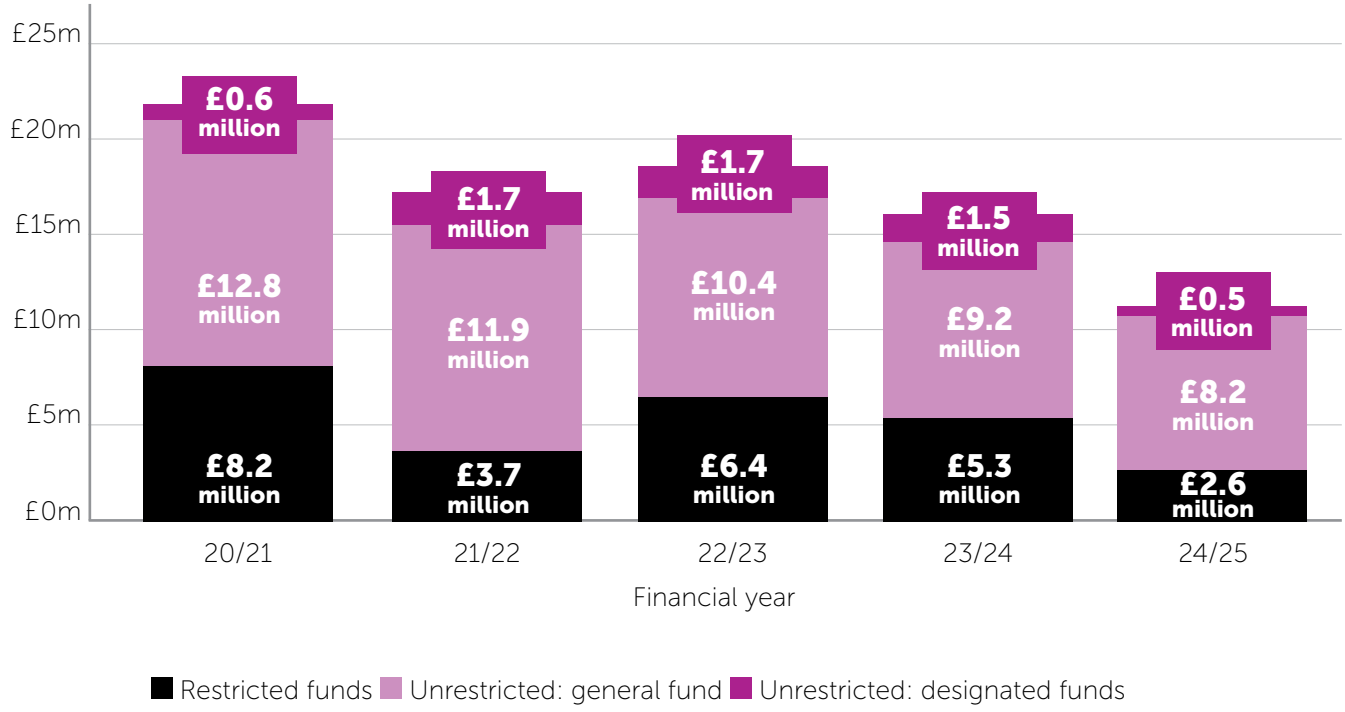
Throughout its programmes, VSO works with and funds in-country partner organisations, for them to undertake agreed activities in pursuit of VSO aims.

During the financial year, VSO spent £1.9m on grants to partners across 16 projects (2023/24: £2.6m across 19 projects).

For more information, see the financial statements, note 3 Charitable activities.

# Reserves

## Funds – multi year view



The reserves policy prescribes the appropriate level of reserves that should be available, and the actions trustees are expected to take to maintain reserves at an appropriate level. The policy insulates VSO against volatility in income and uncontrollable fluctuations in operating expenditure. It helps us deal with any setbacks and provides the flexibility to take advantage of strategic opportunities.

| Closing reserves position | 2024/25 £'000 | 2023/24 £'000 |
|---|---|---|
| Restricted | 2,624 | 5,275 |
| Unrestricted: general fund | 8,159 | 9,237 |
| Designated: fixed asset fund | 325 | 259 |
| Designated: pension deficit | (393) | (169) |
| Designated: change programme | 120 | 486 |
| Designated: rapid response fund | 316 | 316 |
| Designated: income generation | 143 | 643 |
| Designated (total) | 511 | 1,535 |
| **Total Reserves** | **11,294** | **16,047** |

At 31 March 2025, the Group's reserves stand at £8.2m, which is as per the target level set out in VSO's reserves policy. This prudent level of reserves has helped us manage the multiple shocks and stresses encountered since March 2020, especially the reduction in available resources linked to the COVID-19 crisis and the political environment in the UK.

The designated pension deficit fund matches the provision recognised for VSO's agreed contributions to the deficit funding arrangement for the Pensions Trust Growth Plan. This deficit arose in the 2023 Triennial Valuation as the Plan builds up a new expense reserve, consistent with the Pension Regulator's new Defined Benefit Funding Code which has recently come into force.

The designated change programme fund represents the unrestricted funds the trustees have earmarked for ongoing organisational change. This has been spent in 2024/25 to provide for restructuring announced in March 2025 which was enacted in Quarter 1 2025/26.

A designated rapid response fund was established in 2022/23 to allow VSO to respond without delay to emerging or unexpected crises affecting the most marginalised communities. This has not been used since its establishment and has been redesignated in 2025/26 as change programme reserve to fund further restructuring.

The designated income generation fund is the small amount that remains from a £2.8m investment in Public Fundraising which has invested in unrestricted income generating activities.

For more information, see the financial statements:
- Note 12 Provisions for liabilities
- Note 13 Restricted funds
- Note 14 Unrestricted funds
- Note 19 Pension costs

# Investments

The aim of VSO's investment policy is to preserve capital while holding reserves in liquid or near- liquid assets.

VSO's Articles give it the power to invest monies in investments, securities and property, subject to legal requirements. VSO's finance team reports to the Audit and Risk Committee at each meeting on the composition of investments held and their maturity profile.

VSO's policy is to maintain a risk profile with no assets rated less than single A and no investment in complex financial instruments. VSO also aims to hold a third of deposits in environmentally friendly holdings. The Audit and Risk Committee reviews the policy regularly.

VSO's cash reserves have fallen during the year reflecting the decrease in restricted income. VSO's cash position remains appropriate for the size of the organisation and its level of activities.

VSO maintained most of its investments in short-term deposits to ensure that sufficient funds were held in liquid deposits to allow VSO to respond to significant changes in future funding. Where possible, cash held overseas continues to be managed with VSO's programme offices on a monthly basis. This ensures sufficient funds are available whilst monitoring and minimising the impact of foreign exchange fluctuations on non-sterling deposits and the risks of holding funds overseas.

| Closing cash and investments position | 2024/25 £'000 | 2023/24 £'000 | Variance £'000 |
|---|---|---|---|
| Short-term deposits | 6,400 | 7,805 | (1,405) |
| Cash at bank: UK | 4,592 | 5,057 | (468) |
| Cash at bank: overseas | 1,239 | 1,572 | (333) |
| **Total** | **12,231** | **14,434** | **(2,208)** |

# Going concern

We have set out in this report a review of VSO's financial performance, the reserves position and principal risks and uncertainties. VSO regularly scenario plans with any changes in restricted funding integrated into the management reporting at the time they occur. VSO's general reserves policy level is prudent and incorporates the cost of time to adapt to significant external shocks such as a major loss of funding. The senior leadership of VSO monitor the financial situation and adapt expenditure as necessary.

Based on our scenario planning, the current level of unrestricted reserves, and our shift to a more adaptable unrestricted cost structure, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. The trustees are not aware of any other material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

# Principal risks and uncertainties: 2024/25

Our Trustees recognise that VSO's role in civil society inherently carries risks. These risks are managed through the use of appropriate systems and processes. In this year, the operating context within government, market and environmental systems has heightened the need for strong civil society. Our ways of working are focused on being alert to the principal risks and uncertainties that might influence or derail the role we undertake.

Over the last year, we continued to face considerable financial risk from constrained official development assistance funding opportunities and greater competition for those opportunities that could restrict our ability to deliver our portfolio ambition. Whilst the UK governments' long strategic partnership with VSO, now through the Active Citizenship Through Volunteering and Empowerment project grant (ACTIVE) has been invaluable in helping us deliver our mission, identifying and attracting more funds to help deliver our mission is critical. However, the recent decision by FCDO to revise the contract extension on ACTIVE that was awarded in January 2025 from three years to two years has significantly increased the risk of sustainability of our programmes.

A key part of our long-term strategy to manage risk has been to create a more adaptable operating model building on the civil society asset of people capability, relationships and networks of expertise that VSO mobilised through the volunteering for development approach. This has helped us to manage the level of disruption caused by the impact of global geo political and climate instability, the unprecedented cuts to aid budgets and uncertainties around the wider global economy. VSO continues to operate through a globally dispersed leadership model and has developed resilience and a high degree of organisational comfort in online and remote working which are geared to withstand any future shocks in the environment in which we operate.

Through good strategic management and a long-standing focus on the sustainability of the organisation, VSO has the financial reserves in place to help it withstand shocks. Our operating culture and agile working also allow us to respond and adapt quickly to new risks as they emerge from a rapidly changing environment. These themes of adaptability and careful management of resources will enable us to continue to deliver our mission for the long-term.

The Executive Board manages the strategic risks facing VSO through our risk management process. This includes monthly Executive Board meetings to discuss existing and emerging risks, working alongside our strategic leaders to ensure mitigating actions are in place and effective in managing these risks, and updating the Board of Trustees as necessary.

## Risk Management

In addition to holding responsibility for risk management within VSO, including risks related to the use of its funds globally, the Trustees are also responsible for ensuring that VSO has a sound system of internal control to safeguard its assets and funds, and for ensuring that these are used only in the furtherance of VSO's objectives.

The system of internal control within which VSO operates is intended to manage risks appropriately, rather than eliminate them and to give reasonable, rather than absolute assurance. The following framework, approved by the Trustees, provides them with assurance that appropriate systems are in place to manage risk:

- The Board of Trustees receive regular reports on performance against the approved annual plans and budgets including a quarterly key performance indicator report. The Trustees also maintain oversight on the work of the Audit & Risk Committee and the Executive Board over their review and management of strategic risks.

- The Audit and Risk Committee reviews the strategic risk register at each meeting, assesses the significant risks facing VSO and the adequacy and effectiveness of measures put in place by management to mitigate them. The Committee reports its findings to the Board of Trustees at each Board meeting.

- Significant risks are monitored on an ongoing basis by the Executive Board, a process which includes a monthly review of the strategic risk register. The Co-CEO's regularly update the chairs of the Board of Trustees and the Audit and Risk Committee on any significant new risks that may emerge.

- Risk management is embedded across the organisation in all its operations, including programme implementation and duty of care, using risk registers and risk assessments. Once fully operational, the new Implementation Planning and Management System (IPMS) will provide additional visibility across the programme portfolio to identify and assess risks.

- VSO has in place security and business continuity plans and communication and reputation management processes that help ensure effective and timely management of risks. Each identified risk is assessed according to its perceived potential impact and likelihood of occurring, together with actions that either have been, or will be, taken in mitigation.

- The Board of Trustees have agreed risk appetite statements that help set the framework within which VSO implements its strategy, and which informs decision making from a risk perspective.

The internal audit function performs risk based audits across all VSO operations. Their programme of work is based on an annual internal audit plan that aims to cover key risks, systems, processes and global policy compliance. The plan is approved annually by the Audit and Risk Committee.

The table below captures the principal strategic risks and uncertainties and the mitigating plans in place to manage these risks. Where the residual risk of other significant risks is considered lower than the risks presented here, the management actions relating to them are subject to regular review by the Executive Board and Audit and Risk Committee.

We are also clear about our duty of care responsibilities, ensuring that we have in place high standards of medical and security practice and consider safeguarding to be a principal risk. Ongoing cyber security threats are also assessed regularly with cyber security certifications in place and ongoing IT security training part of the essential training for VSO People. As a result of the mitigating controls we have in place, the residual risk in these areas is considered lower than the other strategic risks presented below.

| Risks | Mitigation Strategy |
|---|---|
| **Financial Sustainability** | |
| There is a risk that VSO is not able to raise sufficient funds to continue to invest in its growing programme of work.<br><br>In particular, the unprecedented official development assistance (ODA) cuts generates constrained institutional development funding opportunities, and greater competition for those opportunities, and is restricting our ability to deliver our portfolio ambition.<br><br>This could also undermine the long-term sustainability of the organisation as we will not be able to support our programme work and achieve our objectives. | We have continued to invest in public fundraising and have strengthened processes and ways of working to increase unrestricted income and remain resilient to any challenges in the fundraising market. We continue to engage with our existing donors, recruit new regular givers, and focus on legacies and cash appeals.<br><br>We will continue to nurture existing institutional donor relationships, cultivate new relationships, and further improve the quality of our bids to attract more restricted income to deliver our portfolio ambition.<br><br>Our strong reserves position also helps us to continue operations without significant disruption and enables us to be prepared for any upscaling that is required when new funding opportunities materialise.<br><br>We also continue to adapt our programme level leadership and technical resource teams to help provide better market intelligence, partner engagement and proposal development.<br><br>In addition to working on mitigating the risks associated with the ACTIVE grant extension being reduced from three years to two years, we are also reviewing our strategy to build on the civil society asset of people capability, relationships and networks of expertise that VSO has mobilised through the volunteering for development approach. |
| **Compliance** | |
| Whilst we have embedded systems and processes for full cost recovery on grants, contracts and programmes, there remains a risk that cost recovery from donors on some projects is insufficient to meet all costs associated with the project.<br><br>This impacts negatively on our general reserves, is not sustainable and is partly attributed to the need for maintaining operations in some contexts with reduced levels of restricted funding. | Key performance indicators are in place and are monitored on an ongoing basis. These include a periodic review of the percentage of cost recovery and overhead recovery over total project costs, unrestricted costs that are not recovered through overheads or direct charging to grants and margin on contracts.<br><br>Our portfolio of work, cost management and potential to recover costs is also monitored. Our decision to increase the average value of opportunities we pursue has also enabled us to better cover our costs.<br><br>In addition, our business pursuit strategy to continuously nurture, cultivate and maintain quality in our work will continue to guide us and help mitigate some of the risks associated with cost recovery. |

| Risks | Mitigation Strategy |
|---|---|
| **Operations and implementation** | |
| Whilst we have embedded new ways of working in programme implementation, we continue to monitor the risk that we may fail to realise the benefits of the changes due to poor design and implementation which then impacts on our ability to achieve planned outcomes, impact, and reach on our programmes and maintain the quality of our service. | VSO has embedded an effective planning and management system, standardised monitoring with new metrices in place, and has aligned core business processes across the organisation. A comprehensive implementation framework is in place to mitigate some of the risks associated with service quality and design.<br><br>We have invested in our implementation project management systems to help further strengthen and streamline related processes. The new system will be become fully operational in 2025/26.<br><br>We continue to review our operating model to ensure our business model remains effective and sustainable in all of the locations, portfolios and thematic areas in which VSO works. |
| **Operating model and governance** | |
| Our ability to grow, maintain financial stability and deliver Volunteering for Development programmes at scale could weaken because of national governance restrictions, organisational design, and failure to adhere to our policies and values.<br><br>There is also a risk that a global event creates long-term disruption that impedes our ability to secure new income, deliver our programme of work, and undermine the well-being of VSO people. | We continue to monitor operating environments on an ongoing basis, responding as necessary and continuing to deliver our portfolio of work with minimal disruption. However, in view of the operating context within government and the markets, we continue to assess our portfolio and adapt as necessary.<br><br>We are also satisfied with how we have been responding to the global economic crisis, including hyperinflation in some of the locations we operate in. This gives us confidence in our systems and our approach. We will ensure that VSO continues to learn lessons from this and that we are well prepared for any future shocks that could destabilise our operations. |
| **Reputation** | |
| VSO specific news coverage from a significant incident or public / social media or press scrutiny of charities and civil society could lead to reputational damage and compromise our leadership in the sector. | We continue to scan the horizon for potential risks that we think may impact on our reputation and put in place mitigating strategies, including communication plans and proactive measures as necessary.<br><br>We learn from incidents, evaluations and feedback from stakeholders and adapt mitigating strategies to manage any associated risks.<br><br>Our investment in integrity systems, processes and policies that are aligned to our values have also helped us reduce the likelihood of incidents that could impact on our reputation.<br><br>Our compliance essential training pathway module on preventing criminal practice, safeguarding, data protection, procurement, and the VSO code of conduct is mandatory for all VSO people and is repeated annually. |

# Governance

## Structure, governance and management

### Our organisational structure

In July 2024, Stichting VSO International ("the Foundation") became the Group's parent company, a foundation registered in the Netherlands (registration number: 40484676). The Foundation operates through the following subsidiary entities:

- VSO a company limited by guarantee, registered in England and Wales (registration number 00703509) and registered as a charity in England and Wales (registration number 313757)
- Voluntary Service Overseas (Ireland) is a company limited by guarantee, incorporated and registered as a charitable entity in Ireland
- Stichting VSO Nederland BV, a Dutch charitable organisation
- Voluntary Service Overseas USA, Inc. a US corporation with US SOA (c) (ii ) status
- VSO Trading Limited whose principal activity was the delivery of non-charitable activities for the purpose of raising funds. It is now dormant.

Otherwise, VSO operates internationally through branch offices. This structure of branch office and subsidiaries assists us to deliver VSO's mission globally by extending the reach of our work and building opportunities for income generation.

We have binding agreements with our subsidiaries to govern their use of the VSO brand and trademarks and setting out how they operate within the global organisational structure. Appointment of directors to subsidiaries and branch offices is subject to Governance Committee approval in compliance with VSO's Schedule of Delegations.

## Our governance and management

The Foundation is governed by its International Board of Trustees who set the strategic direction for VSO, are responsible for upholding the organisation's values, and ensure we meet our objectives. Trustees duties are described in more detail on pages 35-37.

Between July and October 2024, the International Board of Trustees transitioned from VSO to the Foundation. Most Trustees sit on both VSO and the Foundation Boards with two remaining on just the VSO Board and the Chair of VSO Nederlands sitting on just the Foundation Board.

The Foundation Board met formally in 2024/25 three times virtually using an online platform and once physically. Board members receive management information on organisational performance on a quarterly basis.

## Trustees

Trustees serve terms of office as provided by the Articles. They are usually appointed to the Board for an initial period of three years, which can be extended for a further three-year period if there is willingness on both sides. There is provision in VSO's Articles for the Chair to serve a third three-year term if appointed as Chair when already a trustee. The Articles will be amended in 2025/26 to offer the provision for a third term extension to all Trustees.

Trustees are not remunerated but their expenses are reimbursed in accordance with VSO's expenses policy.

Trustees are recruited through an open selection process and receive a comprehensive induction on appointment. They also receive ongoing training and engagement throughout their term of office. Trustees participate in visits to VSO programmes and act as expert advisers to VSO working groups

The Foundation's trustees are committed to compliance with the Charity Governance Code and regularly review the group's charitable purposes as well as their roles and time commitment. Review of performance of the Board is a continuous process. Feedback on Board performance is regularly sought from Board members and the Executive. An annual review is undertaken by the Chair with individual trustees also making annual commitments to VSO over and above their responsibilities as directors and members.

## International Board of Trustees

**Julia Lalla-Maharajh OBE ***
**Appointed 14 July 2020**
**Appointed Chair on 1 February 2023**
Chair, Under One Sky; Founder of the Orchid Project.

**Susan Hickey ^**
**Appointed 14 July 2020**
**Vice Chair, Honorary Treasurer and Chair of Audit and Risk Committee**
Non-executive board member of The Good Economy Partnership; Saltaire Housing.

**Janet Muir ^**
**Appointed 1 February 2023**
Director, Procurement & Financial Management at UN International Fund for Agricultural Development (IFAD "Director of Vita Impact & Vita USA, Trustee of The Sustainable Nitrogen Foundation.

**Monalisa Sibongile Zwambila ^**
**Appointed 27 February 2024**
**Resigned on 25 September 2025**
Founder and CEO of Riverbed South Africa.

**Mashaer Bashir-Ali**
**Appointed 23 July 2024**
Senior legal and governance professional in the insurance industry.

**Geoffrey Skingsley ***
**Appointed 1 November 2020**
**Vice Chair and Chair of Governance Committee**
Executive in Residence and Member of the Global Leadership Council of the Said Business School in Oxford, Board of UK's French Chamber of Commerce.

**Christopher Muwanguzi ^**
**Appointed 19 September 2019**
Chief Executive, Child's i Foundation.

**Maryam Abisola Adefarati ^**
**Appointed 28 February 2024**
Chief Financial Officer with Microsoft Africa Regional Cluster. Co-owner of a foundation that is supporting the community in the areas of health, education and poverty alleviation.

**Annemarie Middelburg**
**Appointed 4 December 2024**
Founder & Director Right to Rise The Netherlands.

*** Governance Committee member ^ Audit and Risk Committee member**

# Trustees' duties

The trustees fulfil their duties both under charity law and company law through a formal governance framework which includes Board approval of the strategic direction, operating and expenditure plan, and key policies, formal review of risk and mitigations and monitoring performance data. They also approve and monitor constitutional change and the appointment of the Chief Executive role.

They delegate certain board functions to Board committees and through a Schedule of Delegations, daily decision making to the Co-Chief Executive Officers. VSO's formal organisation and Board Committee structure and membership is set out on pages 37-38.

Board capability is reviewed regularly considering how the organisation is adapting to the changing operating environment. As trustees come to the end of their maximum permitted terms of office, this presents opportunity for reviewing the need for new trustees, particularly where specific gaps in capability are identified and bearing in mind the need for board diversity.

A nominated Board trustee, Christopher Muwanguzi, has specific responsibility for supporting the Senior Leadership Group and Co-CEOs on issues of duty of care and in explicitly ensuring all board members are diligent in their attention to this issue. The level of incidents and detail on critical and crisis incidents is reported to all board members on a quarterly basis.

During their tenure with VSO, trustees are briefed on their duties by the Chair of the Board and where required, through professional advice. Trustees are supplied with online access to all relevant governance documents and contact details.

In keeping with our approach to learning, all trustees have permanent access to our VSO Learning Platform. They can access the key organisational documents from the trustee pathway: their role description, memorandum and articles, delegation of authority, organisation structure and committee terms of reference. This also signposts them to the most recent UK Charity Commission guidance for trustees.

During the year, trustees have fulfilled their duties regarding the following:

**The likely consequences of any decision in the long term**

All key strategic decisions with long-term impact on VSO's future are discussed in the relevant Board Committee and then by the Board as a whole. Each Board agenda gives time for an update on how long-term projects are progressing and all Board members are actively encouraged to raise their questions and concerns, so that appropriate actions can be taken under the Board's oversight.

**The interests of the organisation's employees**

The Board defines VSO people as inclusive of employees, volunteers, consultants, suppliers, and partners.

Phoebe has been attending VSO workshops where she's learnt about cultivating climate-resilient crops.

The Board ensures that the interests of the employees are considered through regular updates at Board and Committee meetings. The impact of major decisions on employees are discussed by the Board and its committees who also receive regular updates on employee pay, employee pensions schemes, health and safety, and safeguarding.

The Board seeks to engage with VSO's community of employees, volunteers and primary actors through briefing on key programme themes and attending the annual Volunteer Impact Awards as well as participation in fundraising events.

In line with VSO's inclusive approach, VSO global communications are available with captions to be inclusive of those who are hard of hearing.

Since the previous annual report, the Board has reviewed several of VSO's core policies including:

- Risk Management Policy (July 2024)
- Data Protection Policy (December 2024)
- Reserves Policy (May 2025)

**The need to demonstrate inclusive ways of working between trustees**

All Board members operate equally as trustees and directors and are given opportunity to raise questions and issues. All have access to the Co-CEOs, the Finance Director, Company Secretary, and one another. Communication directly between board members and members of the Executive or VSO colleagues is actively encouraged.

To contribute to the ongoing review of Board effectiveness, the Board Chair maintains regular contact with all trustees to ensure they can raise concerns and questions. A dedicated appraisal conversation happens at least annually.

**The need to foster VSO's business relationships with supporters, implementing partners and suppliers**

Our Knowledge, Evidence and Learning team systematically reviews and evaluates relationships with partners and primary actors and brings relevant issues to the attention of the Board through quarterly performance reviews. The Board receives updates on supporter and other complaints via the Audit and Risk Committee and discusses relationships with key stakeholders. The Board discusses key partnerships, donor relationships, and strategic suppliers as part of its Board meetings.

Suppliers' interactions are supported by the Global Procurement Policy, ensuring transparent and fair selection processes. In addition to assessment through donor and statutory audits, VSO's internal audit function reviews procurement activity and shares outcomes with the VSO Board via the Audit and Risk Committee.

**The impact of the organisation's operations on the community and environment**

The organisation has a formal policy on environmental sustainability. As part of its ongoing programme of work, VSO trains its programme teams, volunteers, and partners to undertake risk assessments and resilience action planning to identify and reduce human, social, environmental, physical and economic vulnerabilities to climate change.

The Board is regularly updated on the positive impacts that are being made in communities, through our reporting on duty of care and our ability to deliver against the principle of "do no harm". As part of its annual reporting process, the Board reviews the environmental impact of VSO's activities.

The Board also continues to set and meet robust targets for reducing VSO's carbon footprint. The environmental impact of our work is captured in detail in the Environmental Impact Assessment detailed on page 54.

**The desirability of the organisation maintaining a reputation for high standards of business conduct**

High standards of business conduct are underpinned by VSO's value of integrity — taking a zero-tolerance approach to any form of wrong-doing, abuse, and harm, treating others with respect and being open, transparent and accountable in what we do. The Board is keenly aware of the moral requirements of our mission

All key stakeholders, partner organisations: donors, employees, volunteers and consultants, are subject to a range of background checks prior to engagement. Strict procurement guidelines are in place for the selection of suppliers. These key processes are audited by the Internal Audit team.

## Management through the Co-CEOs and the Strategic Leadership Group

The International Board delegates VSO's day-to- day management to the Co-CEOs (who alongside the Finance Director) have operational oversight of VSO's work globally.

The Co-CEOs and Senior Leadership Group oversee implementation of strategic and operational activity, allocate resources, set and monitor standards and determine core approaches to how VSO works. There is a formal Quarterly Performance Review against VSO's operational and financial objectives which is then reported back into the Board.

The Executive meet at least weekly to oversee implementation of strategic and operational activity, allocate resources, set and monitor standards and determine core approaches to how VSO works. The Executive undertake a formal Quarterly Performance Review against VSO's operational and financial objectives. This is done with colleagues across the organisation and specifically the Strategic Leadership Group. The Executive reports back on quarterly performance to the International Board through a regular performance report.

**Donné Cameron**
**Co-CEO from September 2024**

**Kathryn Gordon**
**Co-CEO from September 2024**

**Dr Philip Goodwin**
**CEO until September 2024**

**Bright Amisi**
**Finance Director from June 2025**

**Clare Sisson**
**Finance Director until June 2025**

The members of the Strategic Leadership Group are:

# Meet our Strategic Leadership Group

**Alok Rath**
Head of Knowledge, Evidence and Learning, working from India

**Kaday Mansaray Sibanda**
Director of Operations, working from South Africa

**Shaleen Rakesh**
Head of Engagements and Partnerships, working from India

**Gillian Claugher**
Head of Public Fundraising, working from the UK

**Geoffrey Odaga**
Programme Implementation Lead, working from South Africa

**Papa Diouf**
Practice Area Lead, Health, working from Cambodia

**Tim Newman**
Head of Business Pursuit, working from the UK

**Ezekiel Esipisu**
Head of Programme Development and Policy, working from South Africa

**Martha Newman**
Head of HR Business Partnering, working from the UK

**Kirit Naik**
Head of Internal Audit and Risk, working from the UK

**Joyce Laker**
Practice Area Lead, Inclusive Education, working from the US

## Duty of care

One of VSO's key commitments in our role in civil society is to do no harm. VSO aims to find the appropriate balance between our moral and legal obligations whilst ensuring the safety and well-being of VSO's employees and volunteers and those who engage with VSO.

Our main methods for mitigating the duty of care risk are:

- Assessing the risk in the context of the programme and the location.
- Equipping the team with the necessary capability ensuring there is capacity within roles in a project team or support from the global team.
- Maintaining an environment that promotes reporting, covering not only significant incidents but also minor concerns.
- Insuring the costs of medical and health treatment for employees and volunteers – where there is no adequate government funded health service.
- Employers' liability insurance to cover the risk of legal action from employees or volunteers who incur injury or illness due to their working environment.
- Supporting managers to take responsibility for discussing risk, and risk mitigations with colleagues in planning travel.

We have strengthened our Health and Medical insurance by improving provisions and the coverage across our VSO People. We provide access to funds for medical services when employees need them most. VSO continues to use a professionally managed data source to assess security risk and support the business pursuit team to review opportunities for new programmes, both in locations where we currently work and where we may in the future. The duty of care focus on supporting resilience that arose from the global COVID-19 pandemic has become a cornerstone in our ongoing wellbeing offer.

Resilience initiatives continue and feedback is positive:

- Every year, during VSO week, VSO People are offered a "recharging" day to disconnect from the schedule of back-to-back meetings and conversations.
- Specific wellbeing sessions for those working in fragile spaces where there is no end to a specific incident in sight. Run by a combination of trained counsellors and peer supporters trained in psychosocial first aid.
- Regular series of resilience sessions for volunteers and employees.

We have introduced some specific capacity with our global implementation team to manage project start-up and programme inception. Assessing the safeguarding and security risks of operating and delivering work has been established as a key element of this with specific learning material developed.

As members of the Misconduct Disclosure Scheme, VSO recognises both the progress made and the continued requirement for regular reminders that operating in a respectful way, keeping primary actors safe and doing no harm is fundamental to our licence to operate. The next phase of work with the scheme members will be to engage and align with other initiatives to protect from sexual exploitation, abuse, and harassment and to promote understanding of the necessity for background checking with senior leaders and programme design teams. Our Nepal team in particular continues to engage across agencies and partners to strengthen participation and the culture of safeguarding.

Medical, Security and Safeguarding incident categories are defined at VSO to aid appropriate response and consistent reporting.

We continue to monitor the implications of the security situation and increased fragility of the environment in Ethiopia, the Northern Kenya border and Myanmar, adapting delivery and practice as appropriate.

In addition to this incident response, we have managed 889 medical cases and provided 399 medical clearances to VSO people.

## Reporting and whistleblowing

VSO has zero tolerance of corrupt practices of any type or in any circumstances. We aim to maintain the highest standards of openness, decency, integrity, and accountability in our work.

Everyone who works with or for VSO must be vigilant for signs of wrongdoing or criminal activity and have the obligation to report suspicions about criminal practices, misconduct, or serious concerns about any aspect of VSO's work in accordance with our whistleblowing process.

Our Whistleblowing Policy encourages anyone to report any serious concerns they have, without fear of punishment or unfair treatment. VSO's systems to protect confidentiality and offer anonymity aim to keep a whistleblower safe. To ensure the safety of whistle-blowers, VSO treats all whistleblowing reports as either confidential or anonymous. The choice between confidential or anonymous whistleblowing is entirely that of the whistle-blower.

VSO's policy on Preventing Criminal Practices underpins our operational practice in the areas of fraud, bribery and corruption or any other wrongdoing. The Policy requires all such allegations to be reported regardless of financial materiality and ensures a consistent approach to fraud awareness, prevention, reporting, and investigations across VSO.

We have mandatory online training on preventing criminal practices and whistleblowing for all staff and volunteers. The Executive and senior managers often remind people of their duty to report any wrongdoing through various channels, so the process of reporting is fully understood.

Serious incidents are also reported to the relevant donors and UK bodies, including the Charity Commission, as appropriate, and in accordance with the VSO serious incident reporting protocol. Despite our enhanced approach to fraud prevention, the reality is that from time to time we will be victims of corrupt practices. During the year, 22 cases of potential irregularities were reported and investigated. Of these, 6 cases led to reported fraud and losses of £18,000.

## Our approach to pay

VSO is committed to an approach to pay that upholds fairness, internal equity, and external competitiveness. At VSO, we believe that all employees should be compensated fairly for their role.

Fair Pay means that compensation is determined by the role on the local market and that VSO will not discriminate, in line with our equal opportunities policy and our approach to social inclusion. We have eradicated the dual pay system; all employees are hired on national terms and conditions in their place of work. We are a signatory to the principles of Project FAIR, supporting fair pay in the international development sector:
project-fair.business-school.ed.ac.uk/

- **Ethical reward:** reward policy is fully aligned with our mission and values, from non-discriminatory practices to our awareness of our responsibility as an actor on diverse employment markets.

- **Transparency:** reward policy is present, available to all, clearly explained, and applied consistently.

- **Equity:** reward is fair, consistent, and justifiable. VSO uses a robust job evaluation process, reward is contextualised and policies apply systematically. In those countries where inflation reaches excessive levels, VSO's policy provides immediate assistance to employees and volunteers to support their cost of living temporarily until the situation stabilises.

- **Sustainability:** reward reflects the stewardship of donor funds, supports long-term organisational financial sustainability, ensures sufficient wages for all. VSO is an accredited UK Living Wage employer, and we advocate for the living wage approach to be replicated in other countries.

- **Compliance and risk:** reward policies and practices meet local and international legal and regulatory requirements, while respecting broader organisational social responsibility.

VSO does not operate a bonus scheme.

Our leaders and managers work with our employees to support their performance and development in role. Our recruiters and hiring managers discuss with applicants the rationale behind the way in which our pay practice is linked to dismantling the broader historical and colonial dynamics of power and privilege within the sector.

We recognise and incentivise our people to perform by designing purposeful roles, creating a positive working environment with support for collaboration and discovery to maintain interest and fulfilment. Our operating model and organisation design have at their heart a distributed leadership model. In this model, leadership and accountability sit with post holders, collaboration being key to achieving high performance.

## Gender pay gap reporting for UK employees

The UK government require gender pay reporting – the difference between pay to women and men, for organisations with more than 250 UK-based employees. VSO employed 71 people in the UK in April 2025.

To demonstrate transparency VSO has reported its gender pay gap in the UK, since 2017.

Because of our relatively small population in the UK, the departure of our former CEO (who was male) in September 2024 had a major impact on our Gender Pay Gap. On 5 April 2025, the average pay difference between female and male employees in the UK was 0.74% (compared to 8.57% on 5 April 2024). The difference in median (middle value) pay between female and male employees in the UK is 7.88% (compared to 4.76% on 5 April 2024). The increase of our median gender pay gap is due to the fact that senior females employees left and were not replaced.

The Gender Pay Gap amongst remaining employees has remain stable, the median has not moved at all while the mean has increased by 1.5%.

In line with our view of organisation design, and to ensure we are shaped to successfully deliver on our mission, VSO monitors our pay ratios in each operating location on a regular basis, aiming not to increase the current level when we apply pay benchmarking adjustments and pay awards. One of our Co-CEOs is employed on a UK contract, reported in the UK pay ratio. Therefore the ratio from CEO pay to lowest pay in the UK is 3.56:1 (compared to 3.78:1 in 2023/24).

## Modern slavery statement

Modern slavery is appalling and inimical to all VSO is and stands for, whether it takes the form of forced labour, debt bondage, human trafficking or child labour. It is a global crime resulting in an abhorrent abuse of dignity and human rights which disproportionately affects women and children.

VSO takes a position of zero tolerance towards all forms of modern slavery and our zero tolerance position extends to all those working for, and in collaboration with, VSO. VSO is committed to taking proactive steps both at global and location level with the aim of ensuring that modern slavery does not exist at any level of the organisation and that the best possible support, care and compassion is provided to any victims of this crime with whom VSO comes into contact. VSO has in place policies, procedures and processes to combat the risk of modern slavery. However, VSO recognises that more can be done to combat this risk.

Further information about the framework VSO has in place to combat the risk of modern slavery and the actions VSO plans to take over the next financial year can be found in VSO's Modern Slavery Statement on our website: vsointernational.org/about/policies-and-statements/statement-on-modern-slavery

## Our approach to fundraising

We raise a significant percentage of our funds from the public and our aim is to ensure we do this in both a respectful and compelling way, adhering to high standards. We take our commitments in this area very seriously. VSO's privacy policy can be found at vsointernational.org/privacy.

VSO adheres to the Charities (Protection and Social Investment) Act 20ló. We are a proud member of the Fundraising Regulator and pay an annual levy as required. In addition, we are a member of the Institute of Fundraising, and actively follow the Code of Fundraising Practice.

VSO has a safeguarding policy which guides us on how to respect people in vulnerable situations. Training is given to ensure that there is not unreasonable intrusion on a person's privacy, to protect vulnerable people, and to ensure no undue pressure is given.

VSO is committed to investing in fundraising and engaging with our thousands of supporters across the UK, Ireland and the Netherlands. We aim to inspire and motivate our supporters to help us tackle poverty. We do so via a range of fundraising channels, including face-to-face fundraising, telemarketing, direct mail, email and digital.

VSO is in a period of investing for sustainable fundraising growth — we must invest in our fundraising to achieve our plans to increase our scale, influence, and impact to create a fair world for everyone. We continue to make sound investments and regularly measure and monitor our impact and returns. Taking a holistic view of our supporters will enable us to ensure they receive appropriate and welcomed fundraising communications in line with their preferences and particular aspects of VSO's work.

As we expand our public fundraising activity, it is vital that we communicate with our supporters in the way they prefer, and we are very keen to respect their privacy and communication preferences. VSO supports measures that will improve public trust and support for the sector and has in place an Ethical Income Generation Policy, which was reviewed by the Board in March 2023.

VSO continues to report to the Fundraising Regulator on the number of complaints and feedback received in response to our fundraising activity. In 2024/25 this number of complaints totalled 68, a slight increase on last year due to increased acquisition activity. These were low level complaints which informed our future work. Our supporter care team examines every complaint, responding within three working days. We also complete the Fundraising Regulator's Annual Return. We do all we can to resolve complaints and ensure that supporters are happy to be part of our work.

VSO has not had any investigations from the Fundraising Regulator regarding complaints in 2024/25.

## Our approach to data protection

We are committed to protecting the personal data of all individuals whose personal data is processed by us. We ensure that we use it only for clear and stated lawful reasons, and that we store and transfer it safely in line with the requirements and principles of the General Data Protection Regulation (GDPR) and the Data Protection Act 2018

We operate a compulsory awareness training programme for all staff and volunteers to be completed as part of VSO induction, and we monitor compliance. All VSO people are required to renew their data protection training annually.

As part of our programme design process, we complete detailed privacy impact assessments prior to processing personal data in cases where that processing may give rise to high risks to data subjects. In this way we ensure that we know that the processing is lawful and that we can mitigate risks.

We integrate data protection into our programmes and, in so doing, we consider the likelihood and impact of our processing on the rights and freedoms of those we hold data on.

We monitor complaints and take on feedback to help us improve our fundraising approach, our systems, and internal processes, as well as the work undertaken for us through external agencies.

During the year, we discovered no reportable data breaches. In cases of minor breach, we always speak to The Information Commissioners Office to check that we have taken the correct approach. We record the details of all breaches on our data breach log and conduct learning sessions where relevant to mitigate the risks of a similar breach occurring in future and to embed learnings.

Haway (second from right) has made friends with women of different ethnic groups.

# Environmental impact assessment

## VSO remains steadfastly committed to lowering its carbon footprint to increase environmental resilience and sustainability in everything we do.

By measuring our carbon footprint, we seek to understand the impact we have on the environment with a commitment to reduce it. Because of this commitment, we have gone beyond the minimum reporting obligations under Streamlined Energy and Carbon Reporting (SECR). SECR requires us to report our UK energy use relating to gas, electricity, and transport fuel. But as a volunteer international organisation where the majority of our carbon footprint is attributed to air travel, we have also reported on carbon emissions from all our project locations across the world, including optional scope 5 emissions from business travel.

### Ambitious targets

Using pre-pandemic (i.e. 2019/20) levels as a base, we aim to reduce our emissions by 66% for the same turnover over five years, a more ambitious target than the one we had previously worked to. We are seeing the impact the environmental crisis has on the most marginalised people we work with and want to reduce our own emissions to as little as our operations allow.

Because our carbon depends on the volume of work we deliver, a useful indicator of our performance in managing our footprint is the intensity ratio which considers our carbon emissions in relation to our income. This year's measurement of 44 tCO2e/£ million is a small increase on fast year given the organisations reduced revenue.

### Calculating our carbon impact

To calculate our 2024/25 emissions, we have used the Green House Gases (GHG) Protocol which supplies the world's most widely used greenhouse gas accounting standards. The table shown on the following page details the carbon emissions from the countries in which we worked this year. It includes:

- Business travel (road, rail and air travel for our staff and volunteers).
- Energy consumption (gas and electricity use from our global office locations)
- Fuel (petrol and diesel for VSO's owned and hired vehicles and for electricity generators)

The table below summarises VSO's GHG statement from 2021/22. Scope 1 emissions are caused by VSO's operations and released from directly controlled assets. Scope 2 emissions are indirect greenhouse gases released from the energy purchased from a utility provider. Scope 3 emissions are all other associated indirect emissions. Scope 3 emissions arising from business travel in rental cars where VSO purchases the fuel and upstream emissions from purchased fuel and energy are mandatory. Other scope 3 emissions from business travel — air, road and rail are optional and reported in the total emissions figure.

| | 21/22 | 22/23 | 23/24 | 24/25 |
|---|---|---|---|---|
| Energy consumption (GWh) | 2.0 | 1.7 | 1.2 | 1.3 |
| Scope 1 & 2 emissions (tCO2e) | 589 | 447 | 302 | 323 |
| Total mandatory reported emissions (tCO2e) | 710 | 561 | 447 | 457 |
| Total emissions including optional scope 3 (tCO2e) | 1,293 | 1,485 | 1,279 | 1,177 |
| | | | | |
| Intensity ratio (tCO2e/£m) | 21 | 14 | 14 | 17 |
| Intensity ratio (tCO2e/£m) including optional scope 3 | 39 | 37 | 40 | 44 |

## VSO International's GHG statements (in tCO2e), as follows:

| Streamlined Energy and Carbon Reporting | Current reporting year 2024/25 | | | Comparison reporting year 2023/24 | | |
|---|---|---|---|---|---|---|
| **Energy consumption: (MWh)** | **UK '000** | **Non-UK '000** | **Global '000** | **UK '000** | **Non-UK '000** | **Global '000** |
| - Electricity | - | 221 | 221 | - | 287 | 287 |
| - Gas | - | 15 | 15 | - | 5 | 5 |
| - Transport Fuel | - | 989 | 989 | - | 820 | 820 |
| - Fuel for Electricity Generation | - | 84 | 84 | - | 63 | 63 |
| **Total energy consumption** | **-** | **1,309** | **1,309** | **-** | **1,175** | **1,175** |

| **Emissions (tCO2e)** | **UK** | **Non-UK** | **Global** | **UK** | **Non-UK** | **Global** |
|---|---|---|---|---|---|---|
| **Scope 1** | | | | | | |
| Combustion of Gas | - | 3 | 3 | - | 1 | 1 |
| Combustion of Fuel for Transport Purposes | - | 205 | 205 | - | 189 | 189 |
| Combustion of Other Stationary Fuels | - | 25 | 25 | - | 16 | 16 |
| **Scope 2** | | | | | | |
| Purchased Electricity - Location-Based[1] | - | 91 | 91 | - | 118 | 118 |
| Purchased Electricity - Market-Based[2] | | n/a[3] | n/a[3] | | n/a[3] | n/a[3] |
| **Scope 1 & 2** | | | | | | |
| Total Scope 1+2 Emissions – Location-Based | - | 324 | 324 | - | 324 | 324 |
| Total Scope 1+2 Emissions – Market-Based | - | n/a[3] | n/a[3] | - | n/a[3] | n/a[3] |
| **Scope 3** | | | | | | |
| Category 6: Business Travel: Employee-Owned or Hired Vehicles Where Company is Responsible for Purchasing Fuel | - | 34 | 34 | - | 28 | 28 |
| Category 3: Upstream Emissions from Purchased Fuel and Energy - Location-Based | - | 100 | 100 | - | 95 | 95 |
| Category 3: Upstream Emissions from Purchased Fuel and Energy - Market-Based | - | n/a[3] | n/a[3] | - | n/a[3] | n/a[3] |
| **Total GHG Emissions for Mandatory Reporting - Location-Based** | **-** | **457** | **457** | **-** | **447** | **447** |
| **Total GHG Emissions for Mandatory Reporting - Market-Based** | **-** | **n/a[3]** | **n/a[3]** | **-** | **n/a[3]** | **n/a[3]** |
| **Intensity** | | | | | | |
| Revenue £m | | | 27 | | | 32 |
| Intensity ratio: tCO2e / £m (location-based) | | | 17 | | | 14 |
| Intensity ratio: tCO2e / £m (market-based) | | | n/a[3] | | | n/a[3] |

| **Optional Scope 3 Emissions ($tCO_2e$)** | **UK** | **Non-UK** | **Global** | **UK** | **Non-UK** | **Global** |
|---|---|---|---|---|---|---|
| Business travel - Air | 165 | 547 | 712 | 219 | 577 | 796 |
| Business Travel - Road | - | 5 | 5 | - | 34 | 34 |
| Business Travel - Rail | 3 | - | 3 | 2 | - | 2 |
| Total Optional GHG Emissions ($tCO_2e$) | 168 | 552 | 720 | 221 | 611 | 832 |
| **Total GHG Emissions (Including Optional) - Location-Based** | **168** | **1,009** | **1,177** | **221** | **1,058** | **1,279** |
| **Intensity** | | | | | | |
| Intensity ratio: $tCO_2e$ / £m - Location-Based | | | 44 | | | 40 |

[1] Location-based electricity reporting uses the average grid fuel mix in the country of purchase to calculate GHG emissions. This is mandatory for SECR.
[2] Market-based electricity reporting uses the supplier-specific fuel mix of the reporting company's tariff to calculate GHG emissions. Where the supplier specific tariffs are not available the UK residual fuel mix has been used.
[3] Market-based emissions for non-UK electricity grids is not included.

## Programmes that help to protect the future, for all of us

In 2024/25 VSO's reported carbon emissions have continued to fall, including the Scope 3 optional from 1,279 tCO2e to 1,177 tCO2e.

**Scope 1 emissions**
Scope 1 emissions have increased from 206 tCO2e to 233 tCO2e due the new UNICEF project in Uganda necessitating more road travel, the increased use of owned vehicles in Malawi and the use of more generator fuel in Sierra Leone as domestic electricity supply proved unreliable. Scope 1 emissions only decreased in Mozambique due to downsizing and in Nigeria where no generator fuel was used as staff were encouraged to work at home.

**Scope 2 emissions**
The consumption of utilities reduced from 118 tCO2 to 91 tCO2, due to downsizing our programmes in Mozambique and Nepal and less use of electricity in Sierra Leone. More generator fuel was used in Sierra Leone as the electricity supply was unreliable (see scope 2).

**Scope 3 optional emissions**
Scope 3 optional emissions has increased by 8% as more fuel was purchased in Malawi for transport in rental vehicles as a result of the implementation of the two KfW projects supporting primary education across the country. This is mostly offset by a global concerted effort to fly only when absolutely necessary. Furthermore, programmes in Kenya and Tanzania did not require as much air travel as in previous years.

The carbon footprint of VSO flights has reduced from to 796 tCO2e to 712 tCO2e. Only 23 international volunteers travelled during 2024/25 (35: 2023/24). VSO continues to balance the need for volunteer presence at key events that best serve our primary actors, with the use of digital communication and the mobilisation of national and community volunteers.

VSO continues to manage flight emissions through annual budgeting and the monthly tracking of carbon used. Carbon budgeting ensures that managers consider the carbon impact of delivering programmes from project inception. Our travel policy and processes ensure staff and volunteers are encouraged to make choices that balance our programmatic needs with those of the environment.

**Environmental resilience in VSO's programmes**
VSO's most significant environmental impact is not tracked through the annual SECR reporting, but lies in embedding climate resilience in our programming.

Climate resilience has become increasingly integrated within VSO's active interventions, as evidenced by the concerted actions of primary actors to collectively influence climate change policies.

Collaborating partners have joined forces to ensure the implementation of climate change strategies, actively participating in meetings, influencing processes and identifying climate change risks impacting communities. Notably, the integration of resilience across Health, Education, and Livelihoods intervention has shown significant improvement, prioritising the continuity of essential services during emergencies within projects

Livelihoods interventions have embraced resilience through various measures, including enhancing knowledge on climate resilience and disaster response, establishing savings and lending associations, conducting soft skills building initiatives to address local development issues, promoting sustainable agricultural practices through local production of bio-fertilisers, and fostering social resilience through active participation in self-help group activities and collaborative action planning

Similarly, health interventions have incorporated resilience into their practices, ensuring the continuation of essential services during emergencies and promoting resilience through peer education models that include counselling, information sharing, and support groups.

Education interventions have witnessed increased parental engagement in creating supportive environments for children to attend school, facilitated by capacity-building workshops on resilience, disaster preparedness, and climate change awareness for various stakeholders, including parents, school governance bodies, headteachers, and students. Moreover, community engagement in the preparation of Local Disaster and Climate Resilience Plans has influenced local governments to integrate resilience into their annual and periodic plans, reflecting a positive trend in budget location.

To promote climate-smart, gender-responsive adaptation, it is imperative to deliberately target excluded groups, including the elderly, youth, people with disabilities, women, and children in advocacy training and interventions. This inclusive approach ensures that the needs and perspectives of all segments of society are considered in building resilience to climate change.

# Reference and administrative details

**Charity name:** Stichting VSO International
**Chamber of commerce number:** 40315953
**Legal entities and partnerships number:** 865606092
**Registered Office:** Weg der Verenigde Naties 1, 3527 KT Utrecht, Netherlands.

## Objects

The Objects of the Foundation, as set out in its Articles of Association are to:

- prevent and relieve poverty and exclusion and provide humanitarian assistance in any part of the world;
- advance education in any part of the world;
- mobilise volunteers to share and develop their skills and understanding and to share their insights and experience with others;
- undertake and assist in projects of all kinds;
- educate the public concerning the nature, causes and effects of poverty and the value of volunteering;
- conduct research concerning the above matters and to publish or otherwise make the results of such research available to the public

## Public benefit

The Foundation is in the process of registering as a public benefit organisation (ABNI) in the Netherlands. To gain this status the organisation must be almost exclusively for public benefit and should only hold assets to achieve its objects. The activities undertaken by the Group are described throughout this report. VSO, the UK entity, is regulated by the Charity Commission. All Foundation directors are also VSO trustees who have at all times had due regard to the Charity Commission's guidance on public benefit.

**Governing document:** Stichting VSO International is governed by its Articles of Association Royal patron: HRH The Princess Royal
**Principal bank:** ABN Amro Bank N.V, Handelsregister K. V.K, Amsterdam
**Auditors:** Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

## For more information

**Website:** www.vsointernational.org
**Facebook:** www.facebook.com/vso.international
**X:** www.x.com/VSO_Intl
**Instagram:** www.instagram.com/vsointernational
**YouTube:** www.youtube.com/user/vsointernational

## Have a question or feedback?

Tel: (+44) 20 8780 7500
Email: enquiry@vsoint.org

# Statement of Trustees' responsibilities

The charity trustees (who are also the directors of VSO for the purposes of company law) are responsible for preparing an annual report and financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice)

Company law requires the charity trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view ot the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing the financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable group's transactions, disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006, and the provision of the charity's constitution.

They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Statement on disclosure to our auditors

In so far as each of the trustees of the charity at the date of approval of this report is aware, there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each trustee has taken all of the steps that they should have taken as a trustee in order to make themself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This report, incorporating the strategic report, was approved by the trustees in their capacity as company directors. The charity trustees (who are also the directors of VSO for the purposes of company law) are responsible for preparing an annual report and financial statements in accordance with applicable law and UK accounting standards (UK Generally Accepted Accounting Practice).

By order of the Board of Trustees

**Julia Lalla-Maharajh OBE**
Chair VSO
27 November 2025

# Financial Statements

## Non-Statutory Independent Auditor's Report

to the Members of Stichting VSO International

### Opinion

We have audited the financial statements of Stichting VSO International for the period ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance sheet, Consolidated Statement of Cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at 31 March 2025 and of its deficit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

### Other information

The Board is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of the Board

As explained more fully in the Statement of Trustees' responsibilities the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining sufficient audit evidence and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the entity and group operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context Overseas Companies Regulations 2009, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the entity's and group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the entity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), anti-fraud, bribery and corruption legislation, taxation legislation and employment legislation. We also considered compliance with local legislation for the group's overseas operating segments.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and major donations and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the entity's members, as a body, in accordance with our agreed terms of engagement. Our audit work has been undertaken so that we might state to the entity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 18 December 2025

# Consolidated statement of financial activities

for the year ended 31 March 2025

| | Note | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Unrestricted funds 2024 £'000 | Restricted funds 2024 £'000 | Total 2024 £'000 |
|---|---|---|---|---|---|---|---|
| **Income** | | | | | | | |
| **Donations and legacies** | | | | | | | |
| Institutional grants | 2a | - | 9,684 | **9,684** | - | 15,647 | **15,647** |
| Other donations | 2b | 7,512 | 10 | **7,522** | 6,881 | 15 | **6,896** |
| **Charitable activities** | | | | | | | |
| FCDO ACTIVE grant | 2c | - | 9,000 | **9,000** | - | 9,000 | **9,000** |
| **Other trading activities** | 2d | 101 | - | **101** | 221 | 5 | **226** |
| **Bank interest receivable and similar income** | | 384 | - | **384** | 290 | - | **290** |
| **Total income** | | **7,997** | **18,694** | **26,691** | **7,392** | **24,667** | **32,059** |
| **Expenditure** | 3 | | | | | | |
| **Raising funds** | | **5,032** | **-** | **5,032** | **5,132** | **-** | **5,132** |
| **Charitable activities** | | | | | | | |
| Inclusive education | | 2,470 | 11,030 | **13,500** | 1,614 | 12,076 | **13,690** |
| Health | | 704 | 3,145 | **3,849** | 893 | 5,667 | **6,560** |
| Resilient livelihoods | | 1,599 | 7,147 | **8,746** | 1,076 | 8,048 | **9,124** |
| **Core approaches*** | | - | - | **-** | 2 | 14 | **16** |
| **Operating expenditure** | | **9,805** | **21,322** | **31,127** | **8,717** | **25,805** | **34,522** |
| Redundancy provision | 12 | 317 | - | 317 | - | - | **-** |
| **Total expenditure** | | **10,122** | **21,322** | **31,444** | **8,717** | **25,805** | **34,522** |
| **Net movement in funds** | | **(2,125)** | **(2,628)** | **(4,753)** | **(1,325)** | **(1,138)** | **(2,463)** |
| Transfer of funds | 13 | 23 | (23) | **-** | 12 | (12) | **-** |
| **Reconciliation of funds** | | | | | | | |
| Total funds brought forward | | 10,772 | 5,275 | 16,047 | 12,085 | 6,425 | 18,510 |
| **Total funds carried forward** | | **8,670** | **2,624** | **11,294** | **10,772** | **5,275** | **16,047** |

*VSO's core approaches are social inclusion and gender, resilience and social accountability.

All amounts relate to continuing activities. The notes on pages 55 to 71 form part of these financial statements.

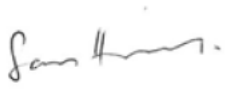
# Balance sheet

## As at 31 March 2025

| | Note | Group 2025 £'000 | Entity 2025 £'000 | Group 2024 £'000 | Entity 2024 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 8a | 57 | 3 | 88 | - |
| Intangible assets | 8b | 268 | - | 171 | - |
| Investments | 9 | - | 11,893 | - | - |
| **Total fixed assets** | | **325** | **11,896** | **259** | **-** |
| **Current Assets** | | | | | |
| Debtors | 10 | 2,011 | 271 | 4,042 | - |
| Short-term cash deposits | | 6,400 | | 7,805 | - |
| Cash at bank and in hand: | | | | | - |
| In the UK and held by group subsidiaries | | 4,592 | 26 | 5,057 | - |
| Overseas | | 1,239 | | 1,572 | - |
| **Total current assets** | | **14,242** | **297** | **18,476** | **-** |
| **Liabilities** | | | | | |
| Creditors: amounts falling due within one year | 11 | (2,528) | (9) | (2,483) | - |
| **Net current assets** | | **11,714** | **288** | **15,993** | **-** |
| **Total assets less current liabilities** | | **12,039** | **12,184** | **16,252** | **-** |
| Creditors: amounts falling due after one year | | - | - | - | |
| Provisions for liabilities | 12 | (745) | - | (205) | - |
| **Total net assets** | | **11,294** | **12,184** | **16,047** | **-** |
| **Restricted funds** | | | | | |
| Income funds | 13,15 | 2,624 | - | 5,275 | - |
| **Unrestricted funds** | | | | | |
| General fund | 14,15 | 8,159 | 12,181 | 9,237 | - |
| Designated funds | 14,15 | | | | |
| Pension deficit repayment plan fund | | (393) | - | (169) | - |
| Change programme fund | | 120 | - | 486 | - |
| Fixed asset fund | | 325 | 3 | 259 | - |
| Rapid response fund | | 316 | - | 316 | - |
| Income generation | | 143 | - | 643 | - |
| **Total unrestricted reserves** | | **8,670** | **12,184** | **10,772** | **-** |
| **Total funds** | | **11,294** | **12,184** | **16,047** | **-** |

The notes on pages 55 to 71 form part of these financial statements.

The financial statements were approved by the Board of Trustees and authorised for issue on 27 November 2025.



**Susan Hickey**
Honorary Treasurer on behalf of the Trustees

# Consolidated cashflow statement

for the year ended 31 March 2025

| | Note | Group 2025 £'000 | Group 2024 £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Net cash used in operating activities** | | **(1,980)** | **(2,785)** |
| **Cash flows from investing activities** | | | |
| Interest received | | 384 | 291 |
| Accounts related to the defined pension scheme | | (393) | - |
| Proceeds from sale of assets | | 60 | 16 |
| Purchase of property, plant and equipment | 8 | (274) | (376) |
| **Net cash used in investing activities** | | **(223)** | **(69)** |
| | | | |
| **Change in cash and cash equivalents in the reporting period** | | **(2,203)** | **(2,854)** |
| Cash and cash equivalents at the start of the reporting period | | 14,434 | 17,288 |
| **Total cash and cash equivalents at the end of the reporting period** | | **12,231** | **14,434** |
| **Reconciliation of net income to net cash flow from operating activities** | | | |
| Net income for the reporting period (as per the statement of financial activities) | | **(4,753)** | **(2,461)** |
| **Adjustments for:** | | | |
| Depreciation charges | 8 | 208 | 175 |
| Gains on disposal of fixed assets | 2d | (60) | (18) |
| Interest received | | (384) | (291) |
| Decrease in debtors | 10 | 2,031 | 1,114 |
| Increase in creditors falling due within one year | 11a | 46 | 119 |
| Increase/(decrease) in creditors falling due after one year and provisions | 11c,12 | 539 | (1,423) |
| Accounts related to the defined benefit pension scheme included within the statement | 19 | 393 | - |
| **Net cash provided by operating activities** | | **(1,980)** | **(2,785)** |
| **Analysis of cash and cash equivalents** | | | |
| Cash at bank and in hand | | 5,831 | 6,629 |
| Short-term cash deposits | | 6,400 | 7,805 |
| **Total cash and cash equivalents** | | **12,231** | **14,434** |

# Notes forming part of

the financial statements for the year ended 31 March 2025

## 1. Accounting Policies

### Basis of preparation

On 5 September 2023, a new organisation, Stichting VSO International was incorporated, based In Amsterdam. On 17 July 2025, Stichting VSO International became the parent of the group. See Note 17 for more details.

There is no ultimate controlling party of Stichting VSO International.

Although not registered as a charity in the United Kingdom, as Stichting VSO International's main base of operations is in the United Kingdom, the Board has elected to voluntarily prepare its financial statements in compliance with Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) ("the SORP"); and FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:

- The financial statements are prepared under the historical cost convention.
- The accounts have been produced on the going concern basis.
- There are no material uncertainties about the group's ability to continue.

### Group financial statements

The consolidated financial statements incorporate the financial statements of the charity, including overseas branches, and its subsidiary undertakings (the Group).

The results of the subsidiary undertakings have been included line by line in the statement of financial activities. Balances and transactions between the charity and its subsidiary undertakings are eliminated on consolidation.

The Charity has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 in not presenting its own statement of financial activities in these statements. The net income for the period to 31 March 2025 for the charity is £12,184,000 (2024:nil). £400,000 is from a grant from VSO. The balance is from its investments in VSO and VSO Netherlands.

### Comparatives

The figures in both current year and prior year reflect the VSO group despite the changes in the parent entity.

There are no comparatives for the entity only.

### Critical accounting judgements and key sources of estimation uncertainty

In the application of the VSO Groups accounting policies trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

There is an ongoing review of estimates and underlying assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

- Pension liabilities – VSO recognises its liability to its defined benefit multi-employer pension scheme, which involves several estimations (see note 19).
- Revenue recognition is deemed to be an area that requires judgement to appropriately apply the income accounting policies explained in income recognition accounting policy.

In the view of the trustees, no other assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### Fund accounting

Reserves policies are given on pages 25-26 of the strategic report. Reserves are either unrestricted or restricted funds.

Restricted funds represent income to be used for a specific purpose as requested by the donor. Income and expenditure on these funds are shown separately within the statement of financial activities.

Unrestricted funds are those that have not had a restriction placed on them by the donor and are available to spend on activities that further any of the purposes of VSO. Designated unrestricted funds are those which the trustees have decided at their discretion to set aside to use for a specific purpose (see note 14).

## Income

Income is recognised when VSO has entitlement to the funds, any conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Contracted funds constitute the income generated via the provision of a service. Where a contract activity extends for a period exceeding one year these are treated as long-term contracts. Income is accounted for as unrestricted and any excess of income over expenditure during the life of the contract is shown as designated funds until the completion of the contract (see notes 14 and 15).

For restricted grants, where income is related to performance or actual expenditure of the grant, entitlement is either VSO having incurred the expenditure to which the grant relates, or the grant having been received, whichever occurs first.

For legacy income, recognition is the earlier of probate being granted, the estate being finalised, or a distribution being received. Entitlement to legacy income is only considered probable when the amount can be measured reliably, and VSO has been notified of the executor's intention to make a distribution. Where the criteria for income recognition have not been met, legacy income is treated as a contingent asset and disclosed if material (see note 10).

Pro bono services and gifts in kind for use by VSO are valued at the estimated value to VSO.

Gift aid recovered on donations is treated as part of the related gift unless specified otherwise by the donor or in the terms of the appeal.

## Expenditure and basis of allocation of costs

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes the salaries, direct expenditure, and overhead costs of the staff in the UK and other countries where we work who are engaged in fundraising activities, including negotiating grants for operational programmes and organising fundraising events.

Under Charities SORP (FRS 102), VSO has chosen to report its charitable expenditure by the three thematic areas and core approaches as set out in its strategic plan. Support costs are apportioned between raising funds and charitable activities based on headcount of fundraising teams. The charitable element is apportioned across thematic areas based on the proportion of direct costs incurred across those practice areas.

The costs of recruiting, selecting and training volunteers, matching them to a suitable placement and supporting them while in their placement and on their return are included in other direct costs (see note 3). Other direct costs also include the cost of programme management and development and other programme inputs, such as workshops and study visits.

## Grants and consortium payments

The majority of our charitable work is carried out by making grants to partner organisations. Grants are made within our agreed strategies. Project proposals are subject to a formal approval process before individual grants are approved. All projects are systematically monitored for the duration of their existence, and major projects are subject to a final evaluation process. VSO also disburses grants to a range of donor-approved grantees. The selection, monitoring and evaluation of the performance of these grantees are subject to contract-specific performance measures. These grants and contract payments are recognised as expenditure in the year they are due.

## Taxation and irrecoverable VAT

Where VSO is unable to recover VAT that is incurred on purchases of goods and services in the UK it is charged as a cost against the activity for which the expenditure was incurred.

## Pension costs

Pension contributions paid by VSO in respect of employees to a defined contribution scheme are charged to the statement of financial activities when they become payable (see note 19).

Pension contributions paid by VSO in respect of employees to a defined benefit, multi-employer scheme are charged to the statement of financial activities when they become payable. This is in line with FRS 102 requirements for multi-employer schemes where the assets are co-mingled for investment purposes, and benefits are paid out of the scheme's total assets (see note 19). A provision has been recognised for the present value of VSO's contribution to the agreed deficit reduction plan (see notes 12 and 19 for further details).

## Foreign exchange transactions

Foreign currency transactions are translated at the rate of exchange ruling at the dates of the transaction.

Foreign currency balances are translated into sterling at the rate of exchange ruling at the balance sheet date. All exchange differences are considered in the statement of financial activities.

## Operating leases

Rentals are classified as operating leases where the title remains with the lessor and the assets are used for less than expected economic life. Operating lease payments and any related lease incentives are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Income from the sub-letting of office space is also accounted for on a straight-line basis over the term of the lease, adjusted for lease incentives where applicable.

## Fixed and intangible assets and depreciation

Fixed and intangible assets costing more than £500 are capitalised and included at cost, including any incidental expenses of acquisition.

Depreciation is charged over the useful economic life of an asset on a straight-line basis as follows:

| | |
|---|---|
| **Assets held in the UK and subsidiaries** | |
| Leasehold improvements | Length of the lease |
| Furniture, equipment, fixtures and fittings | 5 years |
| IT hardware and software | 4 years |
| **Assets held overseas** | |
| All categories | Fully in the year of acquisition |

The trustees consider it prudent to fully depreciate equipment and motor vehicles purchased for use outside of the UK in the year of acquisition, in view of the uncertainty of conditions in the operating environment. It is Stichting VSO's policy to record these assets as disposals after three years.

## Investments

The only investments Stichting VSO currently holds are in its subsidiary companies:

| | |
|---|---|
| 100% shareholding in VSO Limited | Stated at cost |
| 100% ownership of Voluntary Service Overseas (Netherlands) Limited | Stated at cost |

Realised gains and losses are shown in the statement of financial activities.

## Financial instruments

Stichting VSO has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost).

Financial assets held at amortised cost comprise cash at bank and in-hand, short-term cash deposits and debtors excluding prepayments and accrued income. Short-term deposits are held when cash in hand temporarily exceeds operational requirements.

Financial liabilities held at amortised cost comprise the short and long-term creditors excluding deferred income and accrued expenditure. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

## Provisions

Provisions are recognised where Stichting VSO has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be estimated reliably. A provision is recognised where there is uncertainty regarding the timing or the amount (see note 12). Provisions are measured at the present value of the expenditure expected to be required to settle the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## Going Concern

We have set out in this report a review of Stichting VSO's financial performance, the reserves position and principal risks and uncertainties. Stichting VSO continues to undertake regular scenario-planning exercises. Those review projections of income and planned expenditure, including financial and cashflow, to forecast how various outcomes might affect Stichting VSO's operations in 2025/26 and going forward.

As described throughout this report, in 2024/25, as in 2023/24, Stichting VSO demonstrated it can adapt and realign its cost base to changing levels of funded activities.

Nevertheless, Stichting VSO remains alert to ongoing risks and uncertainties. As detailed in our reserves policy, we hold a prudent level of general reserves to provide cover for unexpected financial changes and to allow us time to continue to adjust our expenditure as necessary. We will continue to monitor the situation and manage our finances accordingly. The trustees continue to monitor progress on institutional fundraising including a two-year extension for UK government funded active citizenship and volunteering work.
Based on our scenario planning, the current level of unrestricted reserves, and our shift to a more adaptable unrestricted cost structure, the trustees have a reasonable expectation that Stichting VSO has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of these financial statements. The trustees are not aware of any material uncertainties which may adversely affect the organisation. Accordingly, the financial statements continue to be prepared on the going concern basis.

## 2. Income analysis

| a. Institutional grants | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Total 2024 £'000 |
|---|---|---|---|---|
| **Governmental bodies** | | | | |
| Austrian Development Agency | - | 683 | **683** | 408 |
| Foreign Commonwealth Development Office - other funding | - | - | **-** | 79 |
| European Commission | - | 383 | **383** | 50 |
| Global Affairs Canada | - | 934 | **934** | 1,556 |
| Kreditanstalt fur Wiederaufbau | - | 344 | **344** | 1,847 |
| Ministry of Foreign Affairs of the Netherlands | - | 1,548 | **1,548** | 2,277 |
| Cambodian Ministry of Education, Youth and Sport | - | 15 | **15** | 268 |
| United Nations Agencies | - | 594 | **594** | 2,840 |
| USAID | - | 19 | **19** | 160 |
| Other public funding | - | - | **-** | - |
| **Total governmental bodies** | **-** | **4,520** | **4,520** | **9,485** |
| **Non-government bodies** | | | | |
| Companies | **-** | 440 | **440** | 416 |
| Trusts and foundations | - | 1,948 | **1,948** | 4,163 |
| Other charitable organisations | **-** | 2,776 | **2,776** | 1,583 |
| **Total non-government bodies** | **-** | **5,164** | **5,164** | **6,162** |
| | | | | |
| **Total institutional grants** | **-** | **9,684** | **9,684** | **15,647** |

| b. Other donations | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Total 2024 £'000 |
|---|---|---|---|---|
| Individuals | 5,739 | - | **5,739** | 5,919 |
| Major donors | - | - | **-** | 5 |
| Legacies | 1,635 | 10 | **1,645** | 317 |
| Gifts in kind and pro bono services | 138 | - | **138** | 655 |
| **Total donations and legacies** | **7,512** | **10** | **7,522** | **6,896** |

| c. Charitable activities | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Total 2024 £'000 |
|---|---|---|---|---|
| Volunteering for Development | - | 9,000 | **9,000** | 9,000 |
| **Total charitable activities income** | **-** | **9,000** | **9,000** | **9,000** |

| d. Other trading income | Unrestricted funds 2025 £'000 | Restricted funds 2025 £'000 | Total 2025 £'000 | Total 2024 £'000 |
|---|---|---|---|---|
| Lettings | 8 | - | **8** | 8 |
| Sale of assets | 60 | - | **60** | 18 |
| Other | 33 | - | **33** | 200 |
| **Total other trading income** | **101** | **-** | **101** | **226** |

## 3. Charitable activities and support costs

### a. Charitable activities

| | Grants to partner organisations £'000 | Direct staff costs £'000 | Other direct costs £'000 | Apportioned support costs £'000 | Total costs 2025 £'000 | Total costs 2024 £'000 |
|---|---|---|---|---|---|---|
| **By practice area** | | | | | | |
| Inclusive education | 957 | 5,415 | 5,432 | 1,696 | **13,500** | 13,690 |
| Health | 273 | 1,541 | 1,551 | 484 | **3,849** | 6,560 |
| Resilient livelihoods | 620 | 3,510 | 3,518 | 1,098 | **8,746** | 9,124 |
| Core approaches* | - | - | - | - | **-** | 16 |
| **Total** | **1,850** | **10,466** | **10,501** | **3,278** | **26,095** | **29,390** |

Charitable activities (excluding apportioned support costs) include pro bono services valued at £138,000 (2024: £655,000).

During the financial year, the Group spent £1,850,000 (2024: £2,573,000) on grants to partners across 16 projects

### b. Analysis of support costs

| | Governance costs £'000 | Facilities and purchasing £'000 | Human resources £'000 | Finance and corporate performance £'000 | IT £'000 | Total costs 2025 £'000 | Total costs 2024 £'000 |
|---|---|---|---|---|---|---|---|
| Inclusive education | 480 | 89 | 277 | 491 | 359 | **1,696** | 1,331 |
| Health | 137 | 21 | 79 | 143 | 104 | **484** | 775 |
| Resilient livelihoods | 311 | 56 | 179 | 318 | 234 | **1,098** | 885 |
| Core approaches | - | - | - | - | - | **-** | 2 |
| **Apportioned support costs - charitable activities** | **928** | **166** | **535** | **952** | **697** | **3,278** | **2,993** |
| Raising funds | 107 | 20 | 60 | 114 | 82 | **383** | 387 |
| **Total apportioned support costs** | **1,035** | **186** | **595** | **1,066** | **779** | **3,661** | **3,380** |

## 4. Net incoming resources

Net movement in funds is stated after the following charges/(credits):

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Auditor's remuneration (exclusive of VAT)** | | |
| Fees payable for the audit of the Group's annual accounts | 23 | 48 |
| Fees payable for the audit of subsidiary accounts | 38 | - |
| Other | 2 | 2 |
| **Total fees payable to Stichting VSO's auditors** | **63** | **50** |
| | | |
| **Depreciation** | | |
| Assets in the UK and held by group subsidiaries | 90 | 39 |
| Assets held overseas | 118 | 136 |
| **Total depreciation charges** | **208** | **175** |
| | | |
| **Gain on exchange rate movements** | | |
| Realised losses/(gains) | 110 | (308) |
| Unrealised losses | 204 | 178 |
| **Total losses/(gain) on exchange rate movements** | **314** | **(130)** |

Unrealised gains and losses on exchange rate movements occur predominately from the translation of non-sterling cash balances for reporting purposes.

## 5. Trustees remuneration and expenses

Stichting VSO International has no trustees, but Board members are assumed as trustees for the purpose of preparing these accounts

The trustees of VSO received no remuneration or other benefits during the year (2024: £nil). Trustees are reimbursed for their travel and accommodation expenses in attending meetings, visiting programmes overseas, and other activities undertaken on behalf of VSO. Expenses reimbursed to trustees or paid for on their behalf amounted to £19,000 (2024: £1,000), paid to 8 trustees (2024: 5).

## 6. Employee benefits including the cost of key management personnel

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Salaries and wages | 11,801 | 12,813 |
| Social security costs | 728 | 795 |
| Pension costs | 813 | 857 |
| Other employee benefits | 960 | 1,123 |
| **Total** | **14,302** | **15,588** |

The wages and salaries figure above does not include an amount of £373,000 (2024: £27,000) relating to termination costs, nor do they include the provision for overseas tax (see Note 12).

The pension costs above do not include a provision for a long-term pension liability of £393,000 to be paid to the Pensions Trust over the next 3 years. (see note 19)

The table below shows the number of individual staff whose employee benefits, excluding employer pension costs, were in bands during the financial year:

| | 2025 Number | 2024 Number |
|---|---|---|
| £60,001- 70,000 | 23 | 11 |
| £70,001 - 80,000 | 12 | 12 |
| £80,001 - 90,000 | 5 | 3 |
| £90,001 - 100,000 | 4 | 1 |
| £100,001 - 110,000 | 3 | 3 |
| £110,001 - 120,000 | 2 | 3 |
| £120,001 - 130,000 | 3 | - |
| £130,001 - 140,000 | 1 | - |
| £140,001 - 150,000 | - | 1 |
| **Total** | **53** | **34** |

Total benefits, excluding employer pension costs, national insurance and social security, disclosed in the above bands include termination costs of £322,000 (2024: £27,000), and health benefits, housing, dependents' education, relocation and travel allowances totalling £158,000 (2024: £126,000).

The key management personnel are the Executive team. All trustees serve VSO voluntarily. They do not receive any employee benefits, only payment for reimbursement of out-of-pocket expenses (see note 5).

During 2024/2025 the executive team has contained four members, which comprise the UK executive team. The total compensation costs, including employer's National Insurance contributions, pension and termination costs were £504,000 (2024: £575,000).

## 7. Employee numbers

Average monthly headcount and full-time equivalent (FTE) number of persons employed:

| | 2025 Headcount | 2025 FTE | 2024 Headcount | 2024 FTE |
|---|---|---|---|---|
| UK and subsidiaries based | 100 | 93 | 107 | 100 |
| Overseas based | 332 | 330 | 366 | 365 |
| **Total** | **432** | **423** | **473** | **465** |

## 8. Fixed assets

| a. Tangible fixed assets | Leasehold improvement £'000 | Furniture, equipment, fixtures and Fittings £'000 | IT hardware £'000 | Assets held overseas £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| As at 1 April 2024 | - | 42 | 1,769 | 2,488 | 4,299 |
| Additions | - | - | 10 | 118 | 128 |
| Disposals | - | - | (1,172) | (944) | (2,116) |
| **At 31 March 2025** | **-** | **42** | **607** | **1,662** | **2,311** |
| **Accumulated depreciation** | | | | | |
| As at 1 April 2024 | - | 42 | 1,681 | 2,488 | 4,211 |
| Charge for the year | - | - | 41 | 118 | 159 |
| Disposals | - | - | (1,172) | (944) | (2,116) |
| **At 31 March 2025** | | **42** | **550** | **1,662** | **2,254** |
| **Net book value** | | | | | |
| At 31 March 2024 | **-** | **-** | 88 | **-** | **88** |
| **At 31 March 2025** | **-** | **-** | **57** | **-** | **57** |
| **Held by parent charity** | **-** | **-** | **3** | **-** | **3** |
| **Held by subsidiaries** | **-** | **-** | **54** | **-** | **54** |

| b. Intangible fixed assets | IT software £'000 | Total £'000 |
|---|---|---|
| **Cost** | | |
| As at 1 April 2024 | 245 | 245 |
| Additions | 146 | 146 |
| Disposals | (93) | (93) |
| **at 31 March 2025** | **298** | **298** |
| **Accumulated depreciation** | | |
| As at 1 April 2024 | 74 | 74 |
| Charge for the year | 49 | 49 |
| Disposals | (93) | (93) |
| **As at 31 March 2025** | **30** | **30** |
| **Net book value** | | |
| As at 31 March 2024 | 171 | 171 |
| **As at 31 March 2025** | **268** | **268** |

## 9. Investments

| | Group 2025 £'000 | Entity 2025 £'000 | Group 2024 £'000 | Entity 2024 £'000 |
|---|---|---|---|---|
| Market value at 1 April 2024 | - | - | - | - |
| Acquisitions | - | 15,894 | - | - |
| Impairment of investment | - | 4,001 | - | - |
| **Market value at 31 March 2025** | **-** | **11,893** | **-** | **-** |

Investments held by Stichting VSO International at 31 March 2025 comprise:

£4,014,000 held In VSO Stichting VSO Nederland, transferred on 17 July 2024 and;
£7,879,000 held in VSO, transferred on 17 July 2024

Stichting VSO Nederland is stated at net asset value at 31 March 2024
VSO is stated at net asset value as at 31 March 2025

## 10. Debtors

| | Group 2025 £'000 | Entity 2025 £'000 | Group 2024 £'000 | Entity 2024 £'000 |
|---|---|---|---|---|
| Trade debtors | 709 | - | 2,074 | - |
| Amounts due from VSO | | 271 | - | - |
| Other debtors | 149 | - | 558 | - |
| Accrued income | 538 | - | 754 | - |
| Prepayments | 615 | - | 656 | - |
| **Total** | **2,011** | **271** | **4,042** | **-** |

All amounts above are due within one year, except for amounts relating to lease deposits 2025: £47,000, (2024: Nil).

Legacies within the UK of which we have been notified, but not recognised as income, are valued at £667,000 (2024: £972,000).

Legacies within the Netherlands of which we have been notified, but not recognised as income, are valued at Nil. (2024: £275,000).

## 11. Creditors

| a. Amounts falling due within one year | Group 2025 £'000 | Entity 2025 £'000 | Group 2024 £'000 | Entity 2024 £'000 |
|---|---|---|---|---|
| Trade creditors | 300 | - | 548 | - |
| Other creditors | 544 | | 545 | - |
| Pension contributions payable | 41 | - | 91 | - |
| Tax and social security | 228 | 9 | 203 | - |
| Accrued expenditure | 905 | - | 505 | - |
| Accrual for compensated employee leave | 510 | - | 591 | - |
| **Total** | **2,528** | **9** | **2,483** | **-** |

No interest is incurred on any creditors.

## 12. Provisions for liabilities – group

| | As at 1 April 2024 £'000 | Arising in the year £'000 | Utilised in the year £'000 | Released in the year £'000 | As at 31 March 2025 £'000 |
|---|---|---|---|---|---|
| Pension deficit | 169 | 393 | (169) | - | **393** |
| Redundancy provision | - | 317 | - | - | **317** |
| Overseas tax | 31 | - | - | (7) | **24** |
| Other | 5 | 6 | - | - | **11** |
| **Total** | **205** | **716** | **(169)** | **(7)** | **745** |

### Pension deficit

VSO participates in the Pensions Trust Growth Plan (the Plan), a multi-employer scheme, which provides benefits to some 638 non-associated participating employers. The Plan is a defined benefit scheme in the UK which has been closed to new VSO entrants since October 2009. As at 31 March 2025, VSO employed 6 (2024:7) active members of the Pensions Trust Defined Contribution Growth Plan Series 4. Deferred members and pensioners are also in the defined benefit scheme.

If the actuarial valuation reveals a deficit, the trustees agree to a recovery plan to eliminate it over a specified period of time. This year VSO has paid 169k (2024: £206k) as contribution to the Plan's deficit. The agreed contribution by VSO to the current recovery plan has been recognised as a provision at the present value of future payments (see note 19).

New deficit and expenses contributions were agreed as part of the 2023 revaluation. The first contribution towards the Plan deficit and expenses will take effect from 1 April 2025 and will be payable for three years.

## Redundancy provision

On 26 March 2025 VSO launched a restructuring programme to downsize the organisation to reflect a smaller portfolio of work. The redundancy costs of £317,000 are shown as an exceptional item on the statement of financial activity.

## Overseas tax

A liability across VSO's global portfolio has been identified in relation to overseas taxes. This has been provided for and is being managed with relevant authorities and expert services.

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## 13. Restricted funds (Group)

| Movement on restricted funds | Donor | Opening balance 2025 £'000 | Transfer 2025 £'000 | Incoming resources 2025 £'000 | Resources expended 2025 £'000 | Closing balance 2025 £'000 | Opening balance 2024 £'000 | Transfer 2024 £'000 | Incoming resources 2024 £'000 | Resources expended 2024 £'000 | Closing balance 2024 £'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ACTIVE | FCDO | **-** | - | 9,000 | (9,000) | **-** | **-** | - | 9,005 | (9,005) | **-** |
| Make Way | Dutch MOFA | **461** | (5) | 1,016 | (1,155) | **317** | **655** | - | 1,711 | (1,905) | **461** |
| Building Educational Foundations through Innovation and Technology | Imagine World Wide | **-** | - | 1,258 | (1,123) | **135** | **-** | - | - | - | **-** |
| Empowering Adolescent Girls to Learn and Earn | Global Affairs, Canada | **709** | - | 934 | (1,431) | **212** | **724** | - | 1,556 | (1,571) | **709** |
| Learning through Play | Lego Foundation | **608** | - | 894 | (970) | **532** | **456** | - | 1,202 | (1,050) | **608** |
| Education Cannot Wait | Education Cannot Wait | **775** | - | 775 | (1,188) | **362** | **503** | - | 1,221 | (949) | **775** |
| IKEA Foundation - Waste to work | IKEA | **1,053** | 10 | 684 | (1,520) | **227** | **1,514** | - | 780 | (1,241) | **1,053** |
| Integrated Peacebuilding, Development & Humanitarian efforts across borders -IPDHE | Austrian Development Agency | **117** | - | 683 | (550) | **250** | **373** | - | 408 | (664) | **117** |
| Challenge Fund for Youth Entrepreneurship | Dutch MOFA Randstad | **(322)** | | 532 | (272) | **(62)** | **(68)** | - | 573 | (827) | **(322)** |
| Boosting the Blue Economy - Tanzania | Randstad | **36** | (2) | 469 | (518) | **(15)** | **(6)** | | 398 | (356) | **36** |
| GREEN | Save the Children | **6** | - | 388 | (385) | **9** | **39** | - | 202 | (235) | **6** |
| GPACT | European Union | **-** | - | 365 | (55) | **310** | **-** | - | - | - | **-** |
| IPALSE | UNICEF | **-** | - | 341 | (341) | **-** | **-** | - | 381 | (381) | **-** |
| Unlocking Talent Primary Education | KfW | **318** | - | 229 | (541) | **6** | **-** | - | 1,513 | (1,195) | **318** |
| Robert Carr Fund Exceptional Funding Opportunity | Robert Carr Fund | **123** | - | 166 | (273) | **16** | **108** | - | 315 | (300) | **123** |
| Kreditanstalt fur Wiederaufbau (KFW) - UT | ESJF | **173** | - | 115 | (259) | **29** | **220** | - | 334 | (381) | **173** |
| Education Cannot Wait | Education Cannot Wait | **114** | - | 113 | (168) | **59** | **-** | - | 232 | (118) | **114** |
| MYRP | UNICEF | **26** | - | 107 | (122) | **11** | **-** | - | 39 | (13) | **26** |
| GSRD Foundation - YEE | GSRD Foundation | **-** | - | 100 | (100) | **-** | **(11)** | - | 311 | (300) | **-** |
| Inclusive Education in Baglung | Hempel Foundation | **300** | - | 47 | (347) | **-** | **494** | - | 201 | (395) | **300** |
| Inclusive Education in Baglung | Hempel Foundation | **459** | (7) | 46 | (498) | **-** | **-** | - | 1,049 | (590) | **459** |
| Other grants | Various donors | **319** | (19) | 432 | (506) | **226** | **1,424** | (12) | 3,236 | (4,329) | **319** |
| **Total restricted funds** | | **5,275** | **(23)** | **18,694** | **(21,322)** | **2,624** | **6,425** | **(12)** | **24,667** | **(25,805)** | **5,275** |

The largest grants for 2024/25 and their prior year comparators are shown.

The Dutch Ministry of Foreign Affairs funded Challenge Fund for Youth Entrepreneurship project had a closing deficit of £62,000.(2024: £322,000) The project is ongoing and payment milestones are expected to be materially met in future years.

Other grants with a closing deficit are ongoing and payment milestones are expected to be materially met in future years.

## 14. Unrestricted funds (Group)

| Movement on unrestricted funds | General fund £'000 | Pension deficit repayment plan £'000 | Change programme £'000 | Fixed assets £'000 | Rapid response £'000 | Income generation £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|
| **As at 1 April 2023** | **10,429** | **(361)** | **500** | **58** | **316** | **1,143** | **12,085** |
| Surplus / (deficit) for the year | (1,019) | 192 | (14) | 16 | - | (500) | **(1,325)** |
| Transfer from restricted | 12 | - | - | - | - | - | **12** |
| Transfer between funds | (185) | - | - | 185 | - | - | **-** |
| **At 31 March 2024** | **9,237** | **(169)** | **486** | **259** | **316** | **643** | **10,772** |
| Surplus / (deficit) for the year | (1,764) | 169 | (48) | 18 | - | (500) | **(2,125)** |
| Transfer from restricted | 23 | - | - | - | - | - | **23** |
| Transfer between funds | 663 | (393) | (318) | 48 | - | - | **-** |
| **At 31 March 2025** | **8,159** | **(393)** | **120** | **325** | **316** | **143** | **8,670** |

### Designated funds:

#### Pension deficit repayment plan fund

The pension deficit repayment plan fund is equal to the present value of future contributions payable by VSO to meet the obligation resulting from a funding agreement to eliminate the funding deficit on the Pensions Trust Growth Plan (see note 19).

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme:

The first contributions towards the Plan deficit and expenses will take effect from 1st April 2025 and will be payable for three years. The contributions will be payable for 3 years, accumulating an expenses reserve and will accumulate an expenses reserve to cover pension expenses for subsequent 5 years.

#### Change programme fund

The Change Programme fund was set up to finance organisational change which ensures that activities are prioritised and focused to achieve VSO's strategic plan and that resources are efficiently deployed at programme delivery level in country. In 2024-2025 this has been utilised to fund staff redundancies arising from an organisational restructure.

#### Fixed asset fund

Transfers to the fixed asset fund represent capital additions less disposals and depreciation charges for the financial year.

#### Rapid response fund

Funds designated to allow VSO to respond without delay to emerging or unexpected crises affecting the most marginalised communities.

#### Income generation fund

In March 2019, the trustees designated a £3.0m fund to support unrestricted income growth and income portfolio diversification. The priorities and programmes for this fund continue to be revised based on returns and the investment timeframe has been extended.

## 15. Analysis of net assets between funds (group)

| | General fund £'000 | Pension deficit repayment plan £'000 | Change programme £'000 | Fixed assets £'000 | Rapid response £'000 | Income generation £'000 | Restricted funds £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **Fund balances at 31 March 2024 are represented by:** | | | | | | | | |
| Tangible fixed assets | - | - | - | 259 | - | - | - | 259 |
| Current assets | 11,756 | - | 486 | - | 316 | 643 | 5,275 | 18,476 |
| Current liabilities | (2,371) | - | - | - | - | - | - | (2,371) |
| Long term liabilities and provisions | (148) | (169) | - | - | - | - | - | (317) |
| **Total net assets** | **9,237** | **(169)** | **486** | **259** | **316** | **643** | **5,275** | **16,047** |

| | General fund £'000 | Pension deficit Repayment Plan £'000 | Change programme £'000 | Fixed assets £'000 | Rapid response £'000 | Income generation £'000 | Restricted funds £'000 | Total £'000 |
|---|---|---|---|---|---|---|---|---|
| **Fund balances at 31 March 2025 are represented by:** | | | | | | | | |
| Tangible fixed assets | 14 | - | - | 311 | - | - | - | 325 |
| Current assets | 10,707 | - | 438 | 14 | 316 | 143 | 2,624 | 14,242 |
| Current liabilities | (2,210) | - | (318) | - | - | - | - | (2,528)) |
| Long term liabilities and provisions | (352) | (393) | - | - | - | - | - | (745) |
| **Total net assets** | **8,159** | **(393)** | **120** | **325** | **316** | **143** | **2,624** | **11,294** |

## 16. Operating leases

As at 31 March 2025 the Group was committed to making non-cancellable operating lease payments over various periods, as set out in the table below.

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **In the UK:** | | |
| Within one year | - | 36 |
| **Overseas:** | | |
| Within one year | 123 | 146 |
| Within two to five years | 47 | 11 |
| In more than 5 years | - | - |
| **Total** | **170** | **193** |
| | | |
| **Lease expense** | **324** | **52** |

## 17. Subsidiary companies

| | VSO 2025 £000 | VSO Ireland 2025 £'000 | VSO Netherlands 2025 £'000 | VSO USA 2025 £'000 | VSO 2024 £000 | VSO Ireland 2024 £'000 | VSO Netherlands 2024 £'000 | VSO USA 2024 £'000 |
|---|---|---|---|---|---|---|---|---|
| Income | 24,673 | 303 | 6,411 | 454 | 27,977 | 300 | 5,672 | 952 |
| Expenditure | (30,614) | (321) | (7,618) | (273) | (31,301) | (431) | (5,602) | (150) |
| **Retained profit/(loss) for year** | **(5,941)** | **(18)** | **(1,207)** | **181** | **(3,324)** | **(131)** | **70** | **802** |
| | | | | | | | | |
| Total assets | 11,601 | 978 | 3,490 | 66 | 16,198 | 533 | 4,670 | 2 |
| Total liabilities | (3,722) | (504) | (403) | (2) | (2,379) | (41) | (405) | (119) |
| **Total funds** | **7,879** | **474** | **3,087** | **64** | **13,819** | **492** | **4,265** | **(117)** |

As at 31 March 2025, the VSO Group comprises the parent company (Stichting VSO International), four active subsidiary undertakings and one dormant subsidiary undertaking. There is no ultimate controlling party of Stichting VSO International.

### VSO

A charitable company limited by guarantee incorporated in England and Wales, charity number 313757 company number 00703509. Registered address 2 Putney Hill, London, United Kingdom, SW15 6AB. The company is now a wholly owned subsidiary of Stichting VSO International following the agreements that were signed on 17 July 2024.

### VSO (Ireland) Limited

A charitable company limited by guarantee incorporated in Republic of Ireland; charity number CHY 15048, company number 351799. Registered address: 10 Earlsfort Terrace, Dublin 2, Republic of Ireland. The company is a wholly owned subsidiary of VSO and was acquired on 31 January 2017.

Voluntary Service Overseas (Ireland) Limited delivers its principal activity of advancing education and to aid in the relief of poverty in any part of the world, by providing unrestricted grants for VSO programme work in 19 countries through branch offices.

### Stichting VSO Nederland

VSO Nederland Stichting Is a charitable foundation registration number 41155934. Registered address: Way of the United Nations 1, 3527 KT Utrecht, Netherlands. VSO Nederland Stichting raises funds both from the general public and institutional donors for programmatic work carried out by VSO. The company was a wholly owned subsidiary of UK, but following the agreements as mentioned above on 17 July 2024, it is now controlled and wholly owned by Stichting VSO International.

### VSO USA, Inc.

A US corporation with US 501 (c) (iii) status; registered in the state of Delaware; registration number 82-4699627. Registered address: 700 K Street NW, Suite 4-143, Washington, DC, 20001. The company is a wholly owned subsidiary of VSO and was incorporated on 28 February 2018. Voluntary Service Overseas USA, Inc works on business development.

### VSO Trading Limited

A dormant company limited by share capital incorporated in England and Wales (company number 02315724, 2 Putney Hill, London, SW15 6AB). VSO Trading Limited is wholly owned by VSO.

## 18. Inter-group transactions

Transactions between VSO, Its subsidiaries and VSO Netherlands

| | VSO Ireland 2025 £000 | VSO Netherlands 2025 £000 | VSO USA 2025 £000 | VSO Ireland 2024 £000 | VSO Netherlands 2024 £000 | VSO USA 2024 £000 |
|---|---|---|---|---|---|---|
| Payments received for services | 103 | - | - | 119 | - | - |
| Sub-grants paid to | - | 22 | 268 | - | 107 | 149 |
| Sub-grants received from | 124 | 4,343 | - | 107 | 1,611 | - |

A grant was given to Stichting VSO International parent entity during the year for £400,000. This was loaned back to VSO. VSO owed Stichting VSO International £271,000 at year end.

## 19. Pension costs

The primary scheme for VSO's UK employees is a Scottish Widows defined contribution scheme. Auto-enrolment has been available for all eligible UK employees since February 2014. A variety of other suppliers provide schemes for staff based in the rest of the world.

The following table shows the impact to the consolidated statements of financial activities in 2025 and 2024.

| Impact to the consolidated statements of financial activities | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Contributions to defined contribution schemes | 688 | 857 |
| Contributions to defined benefit schemes - The Pension Trust | 169 | 192 |
| The Pension Trust – deficit reduction liability: unwinding of discounting | 3 | 14 |
| The Pension Trust – deficit reduction liability: impact of any change in assumptions | (2) | - |
| The Pension Trust – deficit reduction liability: amendments to the contribution schedule | 393 | - |
| **Total** | **1,251** | **1,063** |

### The Pensions Trust Growth Plan

VSO participates in the Pensions Trust Growth Plan (the Plan), a multi-employer scheme, which provides benefits to some 521 non-associated participating employers. The Plan is a defined benefit scheme in the UK which has been closed to new VSO entrants since October 2009. As at 31 March 2025, VSO employed 6 (2024: 7) active members of the Pensions Trust Defined Contribution Growth Plan Series 4. Deferred members and pensioners are also in the defined benefit scheme.

As a multi-employer scheme, it is not possible for VSO to obtain sufficient information to enable it to account for the Plan as a defined benefit scheme, so it is treated as a defined contribution scheme.

The Plan is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The Plan trustees commission an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date.

The rules of the Plan give the trustees the power to require employers to pay additional contributions to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as technical provisions.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The first contributions towards the Plan deficit will take effect from 1 April. The contributions will be payable for 3 years, accumulating a reserve to cover pension expenses for subsequent 5 years.
In addition Plan expenses of £282k per annum will be payable, also for 3 years.

Future contributions for VSO as at 31 March 2025 are as follows:

| Financial Year | £'000 |
|---|---|
| 2025/26 | 140 |
| 2026/27 | 140 |
| 2027/28 | 140 |

The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

The present value is calculated using the discount rate detailed below. The unwinding of the discount rate is recognised as a finance cost.

| Present values of provision | 2025 £'000 | 2024 £'000 | 2023 £'000 |
|---|---|---|---|
| Present value of provision | 393 | 169 | 361 |

| Reconciliation of opening and closing provisions | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Provision at start of period | 169 | 361 |
| Unwinding of the discount factor (interest expense) | 4 | 14 |
| Deficit contribution paid | (171) | (206) |
| Remeasurements – impact of any change in assumptions | 2 | - |
| Remeasurements – impact of any change in assumptions | 389 | - |
| **Provision at end of period** | **393** | **169** |

| Income and expenditure impact of defined benefit scheme | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Interest expense | 4 | 14 |
| Remeasurements – impact of any change in assumptions | 2 | - |
| Remeasurements - amendments to the contribution schedule | 387 | - |
| **Cost recognised in the SOFA** | **393** | **14** |

## Assumptions

| | 2025<br>% per annum | 2024<br>% per annum | 2023<br>% per annum |
|---|---|---|---|
| Rate of discount | 4.84 | 5.31 | 5.52 |

These discount rates are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The Plan is classified as a 'last-man standing arrangement', so VSO is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

# Thank you

## Our work wouldn't be possible without the dedication and support of thousands of people, partners, and organisations.

From the volunteers who share their time and skills in our programmes around the world, to the partners who work with us on programme development, delivery, research and fundraising. From the staff and supporters who work tirelessly on our behalf, to the people and organisations who donate the vital funds needed to support our work. The change is being felt by over a million people around the world, right now. Together, we're working towards a fair world for everyone. Thank you. Here are just some of the individuals and organisations who made a vital contribution to our work in 2024/25.

Africa Centre for Disease Control and Prevention
Africa Health Business
African Union
Afrika Mama wa Afrika
Amref Health Africa
Austrian Development Agency
Blue Ambition Fund
Brac International
Child Fund
Circle of Concerned African Women Theologians
Deaf Child Worldwide
Education Cannot Wait Consortium
European Commission
Eriks Development Partner
Errol & Glynis Pereira
Foreign, Commonwealth & Development Office
Forum for African Women Educationalists
Global Affairs Canada
GSRD Foundation
Hempel Foundation
Hennet under Gates Foundation funding
Hope Arthritis Foundation
IKEA Foundation
Imagine Worldwide
International Civil Society Centre
International Federation of Red Cross and Red Crescent Societies
International Forum for Volunteering in Development
KfW Entwicklungsbank
Lego Foundation
Liliane Fonds
Ministry of Education, Youth and Sports of Cambodia under the loan of Asian Development Bank
Ministry of Foreign Affairs of The Netherlands
Minister of Health Kenya under the support of Johnson and Johnson
Palladium
Pan African Climate Justice Alliance
Population Media Center
Randstad
Robert Carr Fund
Save the Children International
Southern Africa Network of Prisons
Thammasat University
The Worshipful Company of Grocers
UCL
UNFPA
UNICEF
UNV
Wemos
WHO
Women in Health International

**We are deeply grateful to the supporters who left a legacy to VSO through gifts in their wills. These generous legacies will provide valuable funding of our work for generations to come. We extend our sympathy and heartfelt thanks to their loved ones.**

**Frank Gardner, Hilda Oultram, David Evans, Alan Clothier, Douglas Woodward, Christine Watkinson, Julie Gemmill, Patricia Williams, Brian Raper, Patricia Creek, Anthony and Fern Reay, Susie Barry, Robert Marriner, Jillian Castle, Ella Young, Dorothy Walker, Felicity Heath, Christopher Taylor, Murtaza Husaini, Gillian Robinson, Iris Page, Virginia Edwards, Stanley Chubb, David Steward, Gwyneth Gill, Denis Layton, Lorna Allatt, Dinah Staples, Nicholas Portch, William Edwards, Johanna Manley, Freda Addly, Elisabeth Prickett, Joyce Appleton, Rupert Thorp, John Almond, Pamela Cogan, Barbara Blossom, Glenys Pegg.**

**If you would like to know more about VSO's work worldwide, visit www.vsointernational.org**

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